FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,218 Saturday April 25 / Sunday April 26 1987 D 8523 B

WORLD NEWS

S African press curbs overruled

The Natal Supreme Court yesterday quashed several censorship regulations which have curtailed news coverage of violent protest in South Africa.

The Government appealed at once, and the restrictions, imposed in December and January, will remain in effect in the meantime. Back Page

South Africa is holding 1,424 under emergency regulations, police said.

Ferry collision kills 3

Three French fishermen died died and five were rescued when their trawler sank after colliding with the Sealink Channel ferry Hengist in Boulogne harbour.

Brent *education rapped*

Inefficient management by Brent local authority, north London, is to blame for severely substandard learning and discipline in schools there, inspectors reported. Page 4

Gunman captured

A gunman was captured in Palm Bay, Florida, after a shooting spree at two shopping centres in which six people died and 14 were wounded. Three hostages were freed.

28 feared dead

Rescuers have little hope of finding survivors in the wreckage of a building which collapsed in Bridgeport, Connecticut, on Thursday; 28 people are feared dead.

Landslide for Suharto

President Suharto's ruling Golkar party won a landslide victory in Indonesia's national elections, winning 72 per cent of the votes. Page 2

Athens bombing

Twelve US servicemen and five civilians were hurt when a bus carrying them to an air force base near Athens came under a bomb attack. No one admitted responsibility.

RUC calls for support

The Royal Ulster Constabulary called for unequivocal declarations of support for the police, after the murder of the ninth RUC man this year. Page 4

Kidnap victim found

Police freed Peterborough kidnap victim Michael Varone after his abductors, phoning a ransom demand to his family, gave the number of the telephone box they were using.

Cuban compensation

Cuba is to pay Spain $42m (£25m) compensation for property seized after the 1959 revolution, 55 per cent of its value.

Kenya expels Libyans

Kenya is expelling five diplomats from Libya's embassy, after four Kenyans were jailed for spying for Libya.

£1.1m Gainsborough

A portrait by Gainsborough sold for an unexpected £1.1m at auction in London, a record for the artist.

Warm weekend coming

Warm air from the south brought temperatures in the 70s to many parts of Britain. A *mostly warm, dry weekend is* predicted. Weather, Back Page

Tough at the top

Among the reasons why executives leave their jobs, as reported to a US survey; wanting to write poetry on the beach; nap breaks were forbidden; becoming a dog trainer; "My salary was too high."

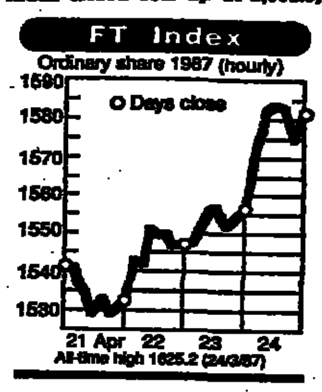
BUSINESS SUMMARY

Elders threat to quit Australia

JOHN ELLIOTT, Elders IXL chairman, threatened to move his group's tax domicile from Australia because of the country's increasingly tough corporate tax regime. Mr Elliott, whose conglomerate took over Courage Breweries of the UK in a £1.4bn deal last year, said Britain was "the most likely place" for Elders' relocation.

The threat brought heated reaction from Mr Paul Keating, Labour Government Federal Treasurer, who called Mr Elliott's remarks "crass." Corporate tax rates in Australia go up from 46 per cent to 49 per cent from July. Back Page

ELECTION FEVER injected a burst of confidence into the markets, bringing a boost at the end of a drab trading account in London. The FT-SE 100 share index closed 33.2 up at 2,001.5,



compared with its best gain ever of 34.8 in June 1984. Hopes of a June election win for the Tories also pushed the ordinary index up 25.7 to end at 1,580.9. Page 12, Lex, Back Page

GENERAL ELECTRIC, diversified UK electrical group, is to put up to $200m (£91m) into *its medical equipment joint* venture with Philips of the Netherlands. The extra cash will bring GEC's equity share in the venture to 50 per cent. Back Page

BLACKWOOD HODGE, UK construction and mining group, launched an £18.5m rights issue to boost its recovery and finance growth in North America. The company came close to collapse four years ago. Back Page and Lex

CATERPILLAR'S prospective *buyer for its Uddingston, Glas*gow, tractor plant is Multi-Purpose All-terrain, chaired by former British Steel chief Sir Monty Finneston. Workers at the plant vote tomorrow whether to end their sit-in. Back Page

SILVER'S price surge contined in London. The spot price at the bullion market fixing rose another 45.35p to 554.45p a troy ounce—a gain of 112.8p on the week.

EXXON, the world's biggest oil company, saw first-quarter earnings fall 37 per cent to $1.07bn (£645.7m). Revenues for the period also fell to $19.44bn ($22.24bn). Page 10

JAPAN unveiled measures designed to stimulate its economy. The package is worth more than Y5,000bn (£21.6bn). Page 2

CREDIT COMMERCIAL de France, the French state-owned bank about to be privatised, has been valued at FFr 4.4bn (£444.7m) by the French Government, which fixed a price of FFr 107 a share. Page 10

NORSK HYDRO, Norway's biggest quoted company, raised net income by 18 per cent in the first quarter from NKr 51m (£4.59m) to NKr 413m, but the company warned that the outlook for 1987 was still uncertain. Page 10

Kinnock warns against tactical voting as election fever grows

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

THE GENERAL election bandwagon gathered further momentum last night with Mr Neil Kinnock, the Labour leader, warning against the "fruit machine politics" of tactical voting and calling on the electorate to support Labour, and end eight years of Thatcherism.

The political temperature will today be raised still further when Mrs Margaret Thatcher goes to Birmingham to spell out the Government's election themes to a private meeting of Tory candidates.

The "pep talk" session, at *which Mr Norman Tebbit*, the Conservative Party chairman, may also speak, was planned months ago. But it will take on added importance given the increasing likelihood of an election in the next eight weeks.

Expectations of an early poll have been raised to the point where only a bad set of May 7 local election results for the Tories seem capable of halting a June election. Speculation at Westminster is now concentrated on the date in June when Mrs Thatcher will seek a third term *mandate*.

Mr Kinnock's rallying call was made before 300 parliamentary candidates and an estimated 1,500 supporters who gathered at Northampton to prepare for the campaign.

His remarks reflect the Labour leadership's determination to stamp out growing support among those in the party who believe tactical voting represents the best chance of denying Mrs Thatcher another election victory.

He told Labour's largest gathering since the 1986 party conference that only Labour had the base necessary to defeat a government which had divided the nation, sabotaged the health service and undermined civil liberties.

He *claimed that, given the* chance of sharing power, Dr David Owen, the Social Democrat leader, would support the Tories, while Mr David Steel, leader of the Liberal Party, did not have the strength to stop him.

Mr Kinnock said the electorate did not want another Thatcher *government but that* it was unsure how to prevent it. He asked if the anti-Conservative majority were, by voting tactically, "really willing to make such a gamble, take such a risk, go for such a flutter on the future of our country?"

He said: "Are you really willing to play such fruit machine politics, just hoping that enough people in enough places will spontaneously, coincidentally and in the secrecy of the ballot booth, vote together to turn out the Tories?"

Mr Roy Hattersley, Labour's deputy *leader, told the* "red rose" rally that the party could not claim to hold victory in the palm of its hand but that it was within Labour's grasp. The fight would be based on socialist policies aimed at creating a more equal society and there would be no broken promises.

The Tories had cut a wide range of public services and social benefits, but had found the money to cut the taxes of the richest 5 per cent. At the election, the country could choose between £4bn a year for the pensioners, families and the unemployed or £4bn for the very rich.

Continued on Back Page

Alliance aims for Channon's ey faces the difficulties, Page 6 constituency, Page 5; Hatterslsey faces the difficulties, Page 6

THE GOVERNMENT should be able to save most of its current legislative programme, including the measures particularly affecting the City, if there is a June general election, now overwhelmingly expected at Westminster.

The exact position will depend on whether election day is June 11 or 18, and therefore how much time is left to wind up parliamentary business after an announcement — probably on May 11 or 12 in the wake of the local *election results*. Back Page

Isuzu joint venture plan for Bedford van plant

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS of the US plans to sell its Bedford van plant at Luton in Bedfordshire to a joint venture company in which Isuzu,i ts Japanese associate, will have a 40 per cent shareholding.

GM, which will retain the other 60 per cent, yesterday said that was the only way to *return Luton to financial viability.*

The van plant, in which about £70m has been invested in the past three years, was losing £500,000 a week, it said.

The new company would aim to increase annual van production at Luton to 40,000 on two shifts by 1990, more than double last year's level.

That would create more jobs, but GM warned the 1,700 employees at the factory yesterday there might be more redundancies in the short term.

Bedford, which made 19,878 medium-sized vans in 1986 (including 3,159 for export), is a relatively minor van producer compared with western Europe's two leaders—Volkswagen, maker of the Transporter, and Ford, which makes the Transit. Each produced more than 100,000 medium vans last year.

A key factor in the success of the proposed project—which is so far only the subject of a memorandum of understanding, details of which might take three months to work out—will be the introduction of new production methods. GM said it would seek an agreement with employees to provide more flexible working.

Since last September voluntary redundancies and early retirements have reduced the Luton plant's workforce by more than 600.

This was announced at the same time as GM said it was giving up most Bedford medium and heavy truck production at its nearby Dunstable factory, with the loss of 700 jobs.

Isuzu is ranked seventh in Japanese vehicle producers with an output of about 600,000 a year. GM owns nearly 40 per cent of it.

Bedford already builds a 1-ton van, the Midi, based on an Isuzu design, and the Japanese company is expected to take responsibility for the design and development of Bedford vans. In particular, the 20-year-old Bedford CF, a competitor to the best-selling Ford Transit, urgently needs replacing.

By combining Isuzu ad Bedford's resources, GM can more easily justify the £200m it would ocst to develop and tool-up for a new van range.

Background, Page 4

Regan to write memoirs for $1m

BY LIONEL BARBER IN WASHINGTON

MR DONALD REGAN, the former White House Chief of Staff, has sold the rights to his future book, billed as an insider's view of the Reagan presidency, for a reported $1m (£608,000).

Mr Regan, whose abrasive style and larger-than-life ego earned him the title of "prime minister," was ousted in a palace coup led by Mrs Nancy Reagan, the president's wife, eight weeks ago. The move came the day after he was criticised in the Tower report on the Iran arms scandal.

Since then, Mr Regan, a multi-millionaire from his days as head of Merrill Lynch, the New York brokerage house, has broken silence just once — when he picked up a $20,000 fee for a speech on poor management in government delivered in Denver, Colorado.

His book contract is the latest in a line of lucrative publishing deals struck — or about to be — by senior US Administration officials, who have proved that writing about public service is a good deal more rewarding than the service itself.

Democrats, too, have discovered how lucrative the political book market can be. Mr Jimmy Carter, the former president, and his wife Rosalynn, each wrote books.

On the Republican side, it all started with Mr David Stockman, a Congressman from Michigan who became President Reagan's first budget director, at the age of 34.

Mr Stockman received $2.3m from Harper Row, the publisher, for his book entitled The Triumph of Politics, in which he described the economic illiteracy of Mr Reagan and his cabinet colleagues.

Last April, it was revealed that Mr Reagan's foremost expert on arms control, Mr Richard Perle, known in Washington as "The Prince of Darkness" for his hardline views, was close to signing a deal with a publisher for a novel drawn from his experiences in government.

The deal was said to be worth at least $300,000, but in the wake of criticism from lesser-paid members of Congress, such as Mr Sam Nunn of Georgia, Mr Perle withdrew his five-page synopsis from the bidding.

Mr Perle still intends to write his book, however, and last month he announced his resignation from the Pentagon. Nevertheless he is still taking an active interest in the current superpower arms talks and will continue to act as a consultant.

In line with this apparent stampede to put pen to paper, Mr John Lehman, until recently the navy secretary whose main claim to fame is to have expanded the US Navy to more than 600 ships, is also negotiating a book contract. One report yesterday quoted $200,000 as the closing price on the deal.

Mr Regan will apparently not write a "kiss and tell" memoir. "It will be a hard, honest look at the Reagan Presidency," said his agent. He added that Mr Regan was no mean author, having majored in English at Harvard.

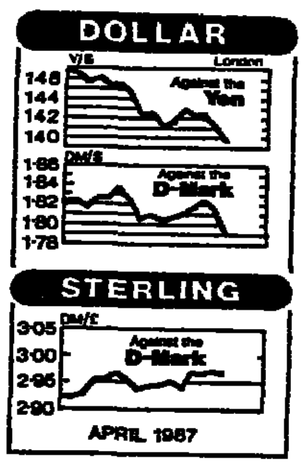
Washington pundits will, however, be looking for a little more. They will want to know, for instance, how Mrs Reagan engineered his downfall that fateful Friday afternoon when he wrote the shortest resignation letter in memory: "Dear Mr President: I hereby submit my resignation as Chief of Staff to the President of the United States."

That was 24 hours after the Tower board wrote that "he must bear primarly responsibility for the chaos that descended on the White House."

Mr Regan's staff were once known as the "carpet mice" because of the way they were downtrodden and followed orders with barely a squeak. Harcourt Brace, Jovanovich, Mr Regan's publisher, has yet to offer a title. One possibility, perhaps, might be Of Mice and Yes-Men.

Central bankers fail in attempt to shore up dollar

BY OUR ECONOMICS AND FOREIGN STAFF



CONCERTED intervention by a host of central banks yesterday failed to stop the dollar falling below key support levels.

The mood remained squarely set against the US currency despite reassuring statements by Mr James Baker, the US Treasury Secretary.

Meanwhile, sterling surged to its highest level against the dollar since November 1982, reviving speculation of a further cut in UK base lending rates.

Growing expectations that Mrs Thatcher will win a June election attracted large flows of international capital into sterling and pushed UK Government bonds and equities sharply higher yesterday.

Pressure is building up in the domestic money market for lower interest rates, although substantial Bank of England intervention against sterling last week put a brake on this speculation.

Fear of further Bank of England intervention appeared to have discouraged purchases of sterling against the D-Mark, but there was substantial switching into the pound from the dollar as investors moved funds out of the US Treasury bond market into gilt-edged stock.

Belief that the dollar will continue falling, igniting fears of higher US inflation, has been behind substantial disinvestment from US assets in recent weeks.

These concerns were heightened yesterday when the US Commerce Department reported that consumer prices in March had increased 0.4 per cent, bringing the pace of consumer price inflation in the first three months of the year to an annual rate of 6.2 per cent. In 1986, consumer prices rose only 1.1 per cent.

Already some conservative economists, who had been advocates of easy money to offset deflationary pressures in the US, are now calling for the Federal Reserve Board, the US central bank, to shift its attention to fighting nascent inflation and to tighten monetary policy, an option which is also seen as a way of helping the dollar. The Fed is reluctant, however, to take this action as it is anxious to sustain US economic growth, which is sluggish.

The dollar's precipitous fall yesterday began in Tokyo when it sank to a new low against the Japanese yen of Y139.05, below the Y140 which had been regarded as the level central banks would intervene aggressively to try to defend. Substantial Bank of Japan dollar purchases, estimated at as much as $1bn, sparked only a brief recovery.

Currency dealers in Tokyo said that life assurance companies, investment trusts and other institutional investors were the big sellers of dollars, aiming to cut losses on their huge holdings of US securities.

Despite the dollar's fall below the key Y140 level, Mr Kiichi Miyazawa, Japan's Finance Minister, said the monetary authorities around the world would continue concerted intervention but that no other measures were planned.

Later in Washington, Mr Baker said the Group of Seven leading industrial nations remained committed to stabilising the dollar and that a further fall could be counterproductive.

There were widespread reports yesterday that the Fed had joined other central banks, including the West German Bundesbank and the Swiss and Dutch central banks, in buying dollars for yen.

It also appears likely that central banks were active yesterday in defending the dollar against the D-mark.

The dollar's lurch downwards against the West German currency yesterday, below the key level of DM 1.80, was regarded as significant as until now it has been weak primarily against the yen.

In London, the dollar closed at Y139.70 and DM 1.7910 compared with Thursday's closes of Y141.25 and DM 1.8145.

Sterling closed sharply higher at $1.6570 from Thursday's closing $1.6365 but eased to DM 2.9675 from DM 2.9700.

UK Government bonds closed up to 1½ points higher while, on the equity market, the FT-SE 100 index closed 33.2 higher at 2,001.5. The FT Ordinary index was 25.7 higher at 1,580.9.

Japan stimulates economy, Page 2; Editorial comment, Page 6; Money markets, Page 12

WEEKEND FT

AFRICA

Whatever happened to the White Rhodesians?

Page I

FINANCE

The Great Investment Race lots up

Page IV

Eureka!

From radios to calculators and clocks, all kinds of gadgets come in credit-card size — less flexible but more user-friendly — to slip in a wallet.

Page XXI

SPORT

The cricket season opens.

Page XXIV

SURVEY

Personal Financial Planning — a special report

Pages XV-XIX

MARKETS

DOLLAR	STERLING
New York luchtime:	New York lunchtime $1.6560
DM 1.7850	London: $1.6570 (1.6365)
FFr 5.9530	DM 2.9675 (2.97)
SFr 1.4590	FFr 9.8950 (9.8725)
Y139.55	SFr 2.4225 (2.4275)
London:	Y231.5 (231.25)
DM 1.7910 (1.8145)	Sterling index 72.7 (72.5)
FFr 5.9725 (6.0325)	**LONDON MONEY**
SFr 1.4620 (1.4830)	3-month interbank:
Y139.70 (141.25)	closing rate 9 11/16% (9 11/16)
Dollar index 100.1 (101)	**NORTH SEA OIL**
Tokyo close Y139.50	Brent 15-day May
US LUNCHTIME RATES	$18.225 ($18.15)
Fed Funds 6 5/16%	**STOCK INDICES**
3-month Treasury Bills:	FT Ord 1,580.9 (+25.7)
yield: 5.87%	FT-A All Share 1,001.33 (+1.5%)
Long Bond: 87 5/16	FT-SE 100 2,001.5 (+33.2)
yield: 8.67%	FT-A long gilt yield index:
GOLD	High coupon 8.92 (9.02)
New York: Comex June latest	New York lunchtime:
$471.5	DJ Ind Av 2254.4 (−26.57)
London: $465 ($452.875)	Tokyo: Nikkei 24,006.37 (−18.24)

Chief price changes yesterday, Back Page

Austria Sch 22; Bahrain Din 0.650; Belgium BFr 48; Canada C$1.00; Cyprus C£0.75; Denmark DKr 9.00; Egypt E£2.25; Finland Fmk 7.00; France FFr 6.50; Germany DM 2.20; Greece Dr 80; Hong Kong HK$12; India Rup 15; Indonesia Rp 3,100; Israel NS 3.50; Italy L1,800; Japan Y600; Jordan Fils 500; Kuwait Fils 500; Lebanon £L50.00; Luxembourg LFr 48; Malaysia Rin 4.25; Mexico Pes 300; Morocco Dh 6.00; Netherlands Fl 3.00; Norway NKr 7.00; Philippines Pes 20; Portugal Esc 100; S Arabia Rls 6.0; Singapore S$4.10; Spain Pta 125; Sri Lanka Rup 30; Sweden SKr 8.00; Switzerland SFr 220; Taiwan NT$85; Tunisia Din 0.800; Turkey L600; UAE Dh 6.50; USA $1.00; Bermuda $1.50.

CONTENTS

Roy Hattersley: 'Labour can win the election' 6
Schools dispute: teaching to rule ... 6
Man in the news: Kenneth Baker ... 6
Editorial comment: politics is not all promises 6
Nuclear power: one year after Chernobyl 7

Appointments	4	Foreign exchanges	12	Money markets	12	Wall Street	11
Base rates	14	Gold	10	Overseas news	2, 3	Bourses	11
Bldg Soc rates	4	Intl company news	10	Recent Issues	8	UK news:	
Commodities	10	Leader page	6	Share information	18, 19	General	4, 5
Company news	8	Letters	7	SE dealings	13	Labour	5
Economic diary	4	Lex	20	Stock markets		Unit trusts	14-17
FT Actuaries	13	London options	12	London	12	Weather	20

OVERSEAS NEWS

Japan unveils package to boost economy

BY IAN RODGER IN KASHIKOJIMA

MR HAJIME TAMURA, Japan's Trade and Industry Minister, said yesterday that the Japanese government had agreed on a package of economic stimulation measures worth more than Y5,000bn (£21.6bn). Mr Tamura revealed the plan at a meeting in Kashikojima with Mr Willy de Clerq, the European Community's Commissioner for Trade.

The meeting was the first of a series of bilateral and quadrilateral talks to be held at the resort town in south-western Japan this weekend. Mr Clayton Yeutter, the US trade Representative, Ms Pat Carney, the Canadian Minister for International Trade, are also participating.

The meetings, the 13th such session over the past five years, comes when Japan is under pressure from its trading partners to adopt measures to reduce its large trade surplus.

At yesterday's meeting Mr de Clerq told Mr Tamura bluntly that the EEC could not accept Japan's huge surplus any longer. He was particularly concerned about the potential impact in Europe of the punitive tariffs imposed by the US government on a range of Japanese products.

He warned that the Commission had prepared measures to take if it saw evidence of Japanese sales efforts being diverted to Europe. Mr Tamura told him that he did not think the US tariffs would affect Japanese manufacturers much in the short term because most had large stocks of goods in the US.

Mr Tamura also told him that the Government was trying hard to reduce its trade surplus. The Government had been preparing its Y5,000bn package for some weeks but its final form could not be set until the 1987-1988 budget was passed early on Friday.

Officials of the Ministry of International Trade and Industry said the Y5,000bn would be made up of genuine increases in government spending and tax reductions. In the past, Japan's stimulative packages have sometimes turned out to consist of new and old plans, so that the economic impact has been less than suggested by the amount announced.

The Kashikojima meetings continue today and tomorrow. There is no fixed agenda, but the main topics are expected to be the new Uruguay round of trade negotiations and the state of world trade.

Tokyo loan measures prompted by US

By Ian Rodger and Carla Rapoport

The Japanese government's plan to provide up to $30bn (£18.3bn) in new loans to developing countries in the next three years appears to have been drafted in great haste in response to pressure from the US.

Officials in the Japanese trade and industry, finance and foreign ministries seemed surprised yesterday by the plan, which was announced on Thursday in Washington by Mr Shintaro Abe, a former Foreign Minister.

Mr Abe is in Washington as a personal envoy of Mr Yasuhiro Nakasone, the Prime Minister, in an attempt to defuse the trade tension between the two countries prior to Mr Nakasone's visit there next week.

The plan has apparently been drafted at the highest political level in Japan, which is unusual in the case of a major policy initiative.

However, despite their lack of knowledge about the new proposals, officials in the three ministries were confident that the measures would be approved next week as part of a package designed to stimulate the Japanese economy and reduce the country's large trade surplus.

The acid package comes only months after the Ministry of Finance unveiled $9bn of assistance for developing countries. That, however, did not go far toward quelling criticism against Japan because a large portion of the aid would remain tied: the recipient would be obliged to use it to buy only Japanese goods and services.

The Foreign Ministry, on the other hand, has been arguing that any programme to recycle its surplus should contain a large portion of untied aid, to appease Japan's main trading partners.

Mr Abe's comments, in the light of this wrangling between ministeries, seems to indicate that Japan is moving toward a shift in policy towards aiding developing countries, spurred on by the leaders of the ruling Liberal Democratic Party, who also favour untied aid.

Emergence of a new party has upset politicians' calculations, **Kevin Done** writes

Iceland prepares for an uncertain future

ONE OF the most bitterly contested general election campaigns in Iceland's post-war nistory reaches its climax today as the island's voters go to the polls.

The political mould has been broken by the dramatic split, barely a month ago, of the island's biggest party, the Conservative Independence Party, which has shared power over the past four years with the centrist Progressive Party, led by Prime Minister Steingrimur Hermennsson.

The political outlook was changed overnight by the resignation of Mr Albert Gudmundsson, the Industry Minister and former Finance Minister, who is being investigated for alleged tax irregularities.

Forced to resign from the Government by his former colleagues in the leadership of the Independence Party, Albert, as he is universally known in Iceland, decided to form his own party.

With an unrivalled personal following among the Icelandic electorate, he has upset all previous political calculations. In a string of opinion polls, his newly-formed Citizens Party appears to have taken the voters by storm, capturing up to 17 per cent of support, and stabilising at about 12 per cent.

His daughter, Mrs Helena Albertsdottir — Iceland surnames are based on the father's first name — returned from Tulsa, Oklahoma, to mastermind her father's campaign. She set up party headquarters in Reykjavik, and within days had mobilised Albert's supporters, with candidates ready to run in all constituencies.

The existing parties — except perhaps for Iceland's Women's Alliance, which made its breakthrough at the last election in 1983, gaining three seats in the 60-member male-dominated parliament — have been thrown into disarray.

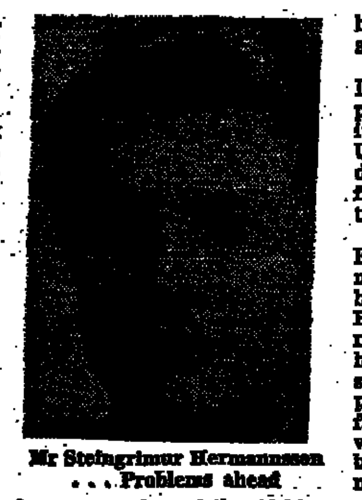
Traditional issues such as tax reform and the running of the volatile economy — have been pushed aside to be replaced by a fight over personalities dominated not least by Albert Gudmundsson.

Unchallenged as Iceland's leading populist politician, the 63-year-old businessman has built an enviable personal support, carefully cultivating his image as a man of the people.

"I don't think any of us realise how big this support—they call it his secret army—really is," says one of his former colleagues in the Independence Party.

Mr Gudmundsson has been something of a folk hero in Iceland ever since he made a name for himself as a professional footballer in Europe in the 1940s and 1950s, playing for such clubs as Glasgow Rangers, Arsenal, Nice and Milan.

He returned to Iceland in 1956 and established his own wholesaling company. He went into politics in 1970 and has



Mr Steingrimur Hermannsson . . . Problems ahead

been a member of the Althing, Iceland's parliament, since 1974, taking over as Finance Minister in 1983, at a time when the Icelandic economy was racked with problems.

He became a celebrity among the world's dog lovers when he threatened to go into exile rather than give up his dog Lucy. Until recently, dogs have been banned in Reykjavik, but for many years Mr Gudmundsson kept a dog in the city, and won fan mail from around the world when he refused to bow to demands from city authorities to give it up.

In the last couple of years, however, his reputation—though not his popular support—has been hit as his name has been linked with a financial scandal.

At the end of 1985, Hafskip, Iceland's second largest shipping line, collapsed, plunging its main bank, the state-owned Utvegsbanki, into financial difficulties. The bank was saved from collapse by state guarantees and new equity.

Before 1983, when he became Finance Minister, Mr Gudmundsson was chairman of both the shipping line and the Bank. The public prosecutor raised no allegations against hi mpersonally, but three senior executives of the shipping line and its auditor are to face trial for alleged fraud, while four managers of the bank have been charged with negligence.

What finally forced Mr Gudmundsson's resignation as a Government minister last month however, were allegations that he had failed to declare certain payments on his income tax returns in 1983 and 1984. His supporters are prepared to dismiss the tax question but opponents within the Independence Party saw it as a chance to cut their maverick colleague down to size, a manoeuvre which has backfired.

Before Mr Gudmundsson's Citizens' Party pushed all othe rissues aside, the ruling coalition had been hoping to fight the election on their economic record.

When they took over in 1982, Iceland was racked by Latin American-style inflation that for short periods exceeded 180 per cent. An audacious programme of reform brought a semblance of order back into the economy.

Growth last year was the highest among the industrial countries at 6.3 per cent, the current account was in balance, and inflation had moderated to only 13 per cent in the 12 months to the end of 1986 the lowest for 15 years.

But after the political disarray of the past month no one is prepared to predict how this economic record will influence the voters.

"It look as if we are heading for a chaotic time after the election," says Mr Bjorn Bjarnason, Deputy Editor of Morgunbladid, Iceland's largest daily newspaper. According to the polls, no two parties will have a majority in the new parliament, which is to be enlarged to 63 members.

To complicate matters further the voting age has been reduced to 18 from 20, bringing an influx of first-time voters. Increasing support appears to be flowing towards the Women's Alliance Party, which hitherto has shunned too close involvement with the male political establishment.

Iceland has an electorate of some 171,400, with less than 250,000 inhabitants. But there are no less than eight parties to chose from in today's election.

Suharto's party scores Indonesian poll landslide

BY JOHN MURRAY BROWN IN JAKARTA

PRESIDENT Suharto's ruling Golkar has, as expected, won a landslide victory in Indonesia's national elections.

With more than 85 per cent of the votes counted, Golkar yesterday had won 72 per cent of the vote. It won 64 per cent in the last election in 1982.

In Jakarta the challenge of the small Christian-based Indonesia Democratic Party, (PDI) failed to materialise. Golkar looked likely to win more than half the capital's votes.

Early returns from the Islamic stronghold of Aceh, the one place not to vote with the government in 1982, showed significant swings towards Golkar. Accusations of ballot rigging and voter cohesion have been made, but observers agree the event was incident-free compared with the violence-marred 1982 election.

The election is to return 400 members for the House of Representatives. A further 100 seats are reserved for military appointees in the legislature, a body considered little more than ceremonial.

In a country of 13,000 island spread as wide as the US, the elections are seen by officials more as an exercise in nation-builidng than choosing a government. Little direct criticism was made of government policy during the campaign. The two small parties seemed disinclined to offer policy alternatives.

Sweden's economy continues to improve, says OECD

BY SARA WEBB IN STOCKHOLM

SWEDEN'S economic performance continued to improve in 1986, helped largely by the fall in oil prices, according to the Organisation for Economic Co-operation and Development (OECD).

The fall meant an improvement of SKr 15bn (£1.5bn) in the current account despite a rise in the volume of oil imports.

Consumer price inflation in the year to 1986 slowed by 2.5 per cent compared with the previous year, partly helped by lower interest rates.

The turnaround in the current account balance from a deficit in 1985 to a surplus in 1986 has led to increased confidence in the stability of the exchange rate accompanied by a downward pressure on interest rates, the OECD report says.

The fall in the budget deficit as a share of GDP since 1982 has been achieved without much increase in overall tax burden, which at 51 per cent of GDP, remains one of the highest in the OECD area.

Lower interest payments were significant for the budget improvement last year.

Private consumption rose by about 3.5 per cent in 1986, the strongest growth rate since 1979, and a reflection of an equally strong growth of real disposable incomes.

Improved competitiveness may have helped exports, which grew a little faster than in 1985, although manufactured products lost market shares chiefly because of higher wage costs.

Unemployment was reduced by 0.1 per cent to 2.7 per cent, but stronger overall wage growth than in most OECD countries has eroded part of the competitive gain Sweden achieved through the 1981 and 1982 devaluations, the report adds.

GDP growth is expected to remain unchanged at 1.5-2 per cent in 1987.

The report warns that the required shift in the pattern of growth away from domestic consumption towards improved performance of net exports and business investment is not likely to come about without a continued policy effort, and that inflation must be curbed.

Development of private consumption remains uncertain in the short term.

Business fixed investment should increase, mainly due to large investments in new plant

THE SHORT-TERM OUTLOOK

	1983-85 average	1986*	1987†
		Per cent change	
Private consumption	0.8	3.6	2.8
Public consumption	1.7	1.3	1.2
Gross fixed investment	4.3	0.3	2.1
Foreign balance	0.9	—0.2	—0.3
Exports	6.6	2.8	2.8
Manufactures	8.1	4.0	2.8
Raw materials	7.0	0.5	2.0
Imports	4.2	3.7	4.0
Manufactures	7.4	3.4	6.7
Oil and related products	—1.9	12.9	—12.0
Gross domestic product	2.9	1.7	1.7
Unemployment rate, level	3.1	2.7	2.8
		Kr billion	
Trade balance		33.5	33.1
Invisibles, net		—25.9	—27.5
Current balance		7.6	5.6

* *Ministry of Finance estimates.* † *OECD forecasts.*

Sources: Statistics Sweden, OECD

Mahathir survives leadership challenge

By Roger Matthews in Kuala Lumpur

Dr Mahathir Mohamad narrowly survived as Prime Minister of Malaysia last night, after a bitterly-fought struggle for the leadership of the country's dominant political party, the United Malays National Organisation (UMNO).

He beat off the challenge from Tengu Razaleigh Hamzah, Trade and Industry Minister, securing just 51.45 per cent of the votes cast at the party's general assembly.

The narrowness of his victory underlines the depth of the split within UMNO. It is the first time since Malaysia's independence that the president of UMNO had faced such a determined challenge to unseat him.

His opponents accused him of mismanagement of the country's resources and of taking arbitrary decisions without proper consultation.

Dr Mahathir's running-mate for deputy presidency of the party, Mr Abdul Ghafar Baba, also got home by a neck from Mr Musa Hitam, a former deputy prime minister. He won 51.39 per cent of the valid votes cast.

Mr Ghafar Baba's majority was 40 votes and there were gasps in the hall when it was announced that there had been 41 spoiled papers. In the election for president of the party, no papers had been spoiled.

The extent to which Dr Mahathir's authority as prime minister has been weakened by the narrowness of his victory will be better judged later today when the results are announced of the elections to the Supreme Council of UMNO, the party's principal policy-making body.

Dr Mahathir's aides had earlier warned that after the poll there would be a number of changes in the composition of the Cabinet, but had also promised the Prime Minister would be magnanimous in victory.

In the contest for the three vice-presidents of UMNO, Mr Wan Mohktar Ahmed, who had not endorsed either side, and Mr Ahmad Badawi, Defence Minister, who supported the challengers to Dr Mahathir, again took the two top places. The third was filled by Mr Anwar Ibrahim, who resigned yesterday as leader of the party's youth wing.

EEC tax plans weeks behind schedule

By Quentin Peel in Brussels

PLANS TO bring indirect tax rates, including VAT, closer together between the different member-states of the EEC, have fallen weeks behind their intended schedule in the European Commission.

The proposals were supposed to be tabled by Lord Cockfield, British Commissioner responsible for internal trade in the Community, by April, but have been held up within the Commission services.

Labour members of the European Parliament yesterday charged that the plans, expected to call for an end to zero-rating for VAT on British sales of food, children's clothes and shoes, books and newspapers, had been deliberately held back by the Commission pending a British general election.

The charge was strongly denied by senior Commission officials, who said that the delay was because of the sheer complexity of the subject.

The proposals for tax "approximation" were promised by Lord Cockfield as a key part of his initiative to remove all barriers to a single EEC internal market by 1992 — although they are regarded with considerable misgiving by many member-states.

The approximation move would have most drastic effects in Ireland and Denmark where indirect taxation rates are way above the EEC average, and Luxembourg, where they are well below it. UK rates are close to the average.

Commission officials refuse to give any clue as to when the plans may come forward, arguing that it is not only VAT, but the whole field of excise duties, which has to be tackled.

FINANCIAL TIMES
Published by the Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London, Printer; Frankfurter-Societäts-Druckerei-GmbH, Frankfurt/Main. Responsible editor; R.A. Harper, Frankfurt/Main. Guiollettstrasse 54, 6000 Frankfurt am Main 1. © The Financial Times Ltd, 1987.
FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.

Tony Walker on a triumphant upturn in the career of a Palestinian survivor

Arafat presides over PLO reconciliation

MR YASIR ARAFAT, with his unprepossessing appearance and elusive manner, may not be the most heroic figure among modern revolutionaries, but he proved once again in Algiers this week that he is a survivor.

It was less than four years ago that the chairman of the Palestine Liberation Organisation was ousted from his last stronghold in Lebanon by a Syrian-backed rebellion among elements of his own Fatah mainstream faction. Mr Arafat's forces were evacuated by sea from Tripoli in northern Lebanon and scattered to the fringes of the Arab world.

A year earlier, in June 1982, Israel's invasion smashed the PLD military infrastructure in south Lebanon and in West Beirut. The massacre last September of thousands of civilian Palestinians in the Sabra and Chatila refugee camps by Christian militiamen under the eyes of the Israelis was a consequence of the PLO's military defeat.

Prospects for Mr Arafat were bleak after he was driven from Tripoli in December 1983. His words, as more than 5,000 of his fighters sailed from Tripoli for camps in north Yemen, Tunisia, Algeria and Sudan, that he was merely moving from "one outpost of struggle to another outpost of struggle" hardly seemed convincing.

His demise was widely predicted. Militant Arab regimes seemed determined to get rid of him. Syria began constructing an alternative Damascus-based PLO.

Yet in Algiers this week at a meeting of the Palestine National Council, the Palestinian parliament-in-exile, Mr Arafat had something of a victory over his arch rival, Syria's President Hafez al-Assad

He managed to reconcile disparate PLO elements under his leadership, including the two largest Damascus-based dissident factions — the Marxist Popular Front for the Liberation of Palestine (PFLP) and the Democratic Front for the Liberation of Palestine (DFLP).

A jubilant Yassir Arafat in Algiers

In doing so, he fractured the Palestine National Salvation Front (PNSF) established in early 1985 under Syrian aegis as a substitute PLO. The PFLP or Dr George Habash ws its largest and only credible component. Other elements included Fatah dissidents and Syrian-controlled splinter groups.

In Algiers the PLO chairman made limited concessions to achieve reconciliation. He did not, for example, agree to the demands of Syrian-based factions to sever ties with Egypt. President Assad's prospects of controlling the Palestinian card in Arab formus were diminished. It has been a good week for Arafat.

A reunified PLO has the support of the Soviet Union (Arafat is expected to travel to Moscow soon), Algeria and Libya, both of which played critical roles in the reconciliation, and Palestinians themselves inside and outside the occupied territories who have been urging an end to the four years of division in the guerrilla organisation.

Reaction to this week's events in Algiers among moderate Arab states such as Jordan and Egypt has been relatively neutral. Syria has remained silent. President Assad has been in Moscow this week where the PLO reconciliation will have been discussed.

Israel and the US have condemned the reunification, predicting that it will lead to greater militancy as the price of unity. Mr Arafat, who flirted throughout 1984 and 1985 with the posibility of endorsing UN security council resolutions, bitterly opposed by PLO radicals because they do not address Palestinian rights to self-determination, will not have been surprised by the adverse reaction.

In Israel, Mr Shimon Peres, the Israeli foreign Minister, told his labour party that we will advance towards peace without Arafat." Mr Peres has always said, in any case, that he would not deal with Arafat or the PLO.

To observe a jubilant PLO chairman this week at the large circular Club de Pins conference centre on the Mediterranean coast, west of Algiers, was to be reminded of the many stages of his leadership of the guerrilla organisation.

He has been in the headlines for as long as most can remember. He made the cover of Time Magazine in 1968, the year before he became chairman of the PLO at the age of 40.

Images of Mr Arafat include that of his triumphant UN "gun and olive branch" speech of 1974 and the seaborne refugee of 1983. For the press, Western governments and Arab states he has been an elusive and often infuriating figure.

To Palestinians, however, he remains, in the absence of an alternative, an imperfect symbol of their cause. His survival is no small achievement in the face of sometimes virulent propaganda and attempts by opponents within the organisation, backed by powerful forces, to eliminate him.

The PNC, the 18th such session since the first in 1964 in East Jerusalem (then under Jordanian control), together a disparate group of nationalists, former terrorists, academics, religious figures, businessmen and political exiles.

PNC members and observers included prominent Palestinians like Edward Said, a distinguished US-based academic and writer on Middle East affairs, and Laila Khaled, an icon of radical groups, who carried out in 1970 and early attempted hijacking for the PFLP.

It is Mr Arafat's ability to straddle these disparate elements that is a key to his survival. Luck has also played a part, he escaped two assassination attempts in the early 1970s. In October 1985 the Israelis came close to eliminating him when they bombed his Tunis headquarters.

For the moment, he appears secure barring an accident, although he cannot take for granted a passive Syrian response to the Algerian reconciliation in spite of likely pressure on Damascus from Moscow to refrain from making trouble for the PLO mainstream.

There is also the problem for Mr Arafat of what to do next. Keeping faith with the faithful — never easy — may be even more difficult now that expectations has been raised by reunification. Mr Arafat is just as much a slave to the uncertainties of the Middle East as are other Arab leaders.

Israel responds to rocket attack from Lebanon

BY OUR TEL AVIV CORRESPONDENT

THOUSANDS OF Israelis in northern border town and settlements spent the night in bomb shelters this week for almost the first time since the 1982 Israeli invasion of Lebanon as Katyusha rockets were fired at them from southern Lebanon.

The upsurge of attacks on Israel and its self-proclaimed "security zone" in south Lebanon coincided with a meeting of the Palestine National Council, the PLO's parliament-in-exile, in Algiers at which Mr Yassir Arafat's Fatah movement was reconciled with leftist Palestinian factions previously loyal to Syria.

Israel responded to the Katyushas, and a rare cross-border guerrilla attack in which two Israeli soldiers died, by sending helicopter gunships to pound suspected Palestinian bases near Tyre and Sidon in southern Lebanon. Israeli aircraft dropped leaflets reminding residents of the 1982 invasion and warning of retribution if they helped "terrorists."

The flare-up followed the death of a pregnant Jewish settler, burned alive in her car on the West Bank, which triggered a round-up of more than 100 Palestinian political activists as many Israelis demanded tougher measures in the occupied territories.

Israeli military commanders voiced fears of a "long hot summer" on the Lebanon border and on the West Bank and Gaza Strip and Mr Yitzhak Rabin, the Defence Minister, vowed to retaliate for the guerrilla attacks.

Military analysts say the most bloody series of incidents on the northern border since the "security zone" was established in 1985 is partly a by-product of Syria's efforts to impose order in Lebanon.

While Syria has been most careful not to provoke Israel, hundreds of out-of-work militiamen have been drifting south from Beirut, encouraged by PLO groups and the Iranian-backed Shi'ite Moslem radical organisation, Hizbollah, to turn their guns on the Israelis and their mainly-Christian Lebanese militia allies in the south Lebanon army.

Kohl aims to end infighting over Soviet missile offer

BY PETER BRUCE IN BONN

CHANCELLOR Helmut Kohl of West Germany is planning to move quickly next week to try to end serious infighting in his coalition Government over how to react to Soviet proposals for eliminating all short- and long-range Intermediate Nuclear Force (INF) missiles from Europe.

The West German leader has summoned his Foreign Minister, Mr Hans-Dietrich Genscher, Mr Manfred Woerner, Defence Minister, and Mr Wolfgang Schäuble, head of the Chancellery, to his office when he returns from holiday on Monday.

Mr Genscher, a member of the liberal Free Democrats (FDP), has come under attack from the other two coalition parties, including Mr Kohl's Christian Democrats (CDU), for suggesting that Bonn should agree to Moscow's recent offer to include both long- and short-rang INF missiles in a "zero option" disarmament treaty between the US and the USSR.

But Mr Woerner argued that Soviet conventional force dominance forces the European, and especially the West Germans, to hold onto some nuclear deterrent.

He wants a "zero option" on INF to be limited to the longer-range missiles only. Both sides would then agree to a ceiling on short-range INF missiles.

Long-range missiles included in the INF definition are the US Pershing-2 and cruise missiles and the Soviet SS-20 and older SS-4s. The short-range INF missiles the Soviet Union has just offered to remove, involve only the Russian SS-12, SS-22 and SS-23.

Nato has no missiles in this category—there are 72 old Pershing 1A missiles in West Germany but the Americans control only the warheads and Bonn does not regard them as part of INF.

Mr Woerner won unexpected support from the CDU's foreign affairs spokesman, Mr Volker Ruehe, before he set off to Washington this week.

Mr Ruehe, who is often attacked from the right of his own party as a "Genscherite," accused Mr Genscher of trying "to go it alone," in presenting West German views to the Americans.

A close associate of Mr Kohl's, Mr Ruehe insists, and would have said this much to Mr George Schultz, US secretary of State, in Washington, that there should be no complete build-down of missiles in the 150km -1,000km range.

Mr Schultz, though, delighted Bonn Foreign Ministry officials in a television interview on Thursday in which he seemed to dismiss European fears about being left without nuclear cover if both short and long-range INF missiles were included in a "zero" treaty.

Mr Schultz appeared to challenge Bonn and the other Nato allies in Europe to agree either to including short range INF weapons in a "zero option" deal, or to be prepared to put new missiles in place.

Any new deployment would be hugely difficult, politically, for most West European Governments.

Breakthrough in Iran arms sale investigation

BY LIONEL BARBER IN WASHINGTON

CONGRESSIONAL investigators have made a break-through in their inquiry into the Iran arms scandal, tracing how several million dollars from secret US weapons sales from Iran were diverted to the Nicaraguan Contra rebels.

Two select congressional committees have obtained Swiss bank records in Paris which confirm that some of the arms profits were, as long suspected, illegally diverted to the Contras.

Senator Daniel Inouye, the Democrat chairman of the Senate select committee and a member of the special Watergate panel 14 years ago, said: "I think we have enough in documents to follow a clear paper trail."

His Republican vice-chairman, Senator Warren Rudman, said he was optimistic that the committee—which is working in tandem with a House panel—will have pieced together the financial jigsaw puzzle before joint public hearings start in ten days.

The key witness supplying the Swiss bank records is Mr Albert Hakim, an Iranian businessman and partner of another leading player in the Iran-Contra affair, the retired former Air Force Major General Richard Secord.

Mr Hakim, who was granted limited immunity by the congressional panels in exchange for testimony, apparently handed over Swiss bank records and other material. This had proved a serious obstacle since Mr Secord had refused to co-operate with the investigators, citing his rights

This had led to an unsuccessful court action by the congressional panels and the threat of a protracted legal battle over the bank record.

It will, however, not please Mr Lawrence Walsh, the independent counsel seeking criminal indictments against leading figures in the affair. Mr Walsh is not allowed to use any of the evidence given by immunised witnesses against them, unless he can show he obtained the evidence elsewhere.

Mr Rudman, indicating frustration with Mr Walsh's regular pleas not to grant immunity lest his investigation is prejudiced, said: "There are too many important issues facing the country for the American people to wait while (his) investigation goes on ad nauseam."

Spain gives go-ahead for steel aid plan

BY DAVID WHITE IN MADRID

THE SPANISH Government yesterday gave the go-ahead for a Pta 228bn (£1.1bn) state aid plan for nine steel companies with the aim of putting them on an even financial keel by the end of the decade.

The aid package, half of which is destined for the Basque steel producer Altos Hornos de Vizcaya, was negotiated over the last few months with the European Commission.

It includes almost Pta 8bn in funds to ease through streamlining measures at Forjas y Aceros de Reinosa, a small state-owned steel company near Santander, which has become a focus of violent labour protest in the past few weeks.

Spain applied for approval for the extra aid under the terms of EEC entry agreement, which gave it three years to the end of 1988 to continue subsidising its steel mills.

The plan is expected to involve axing almost 5,000 jobs, through early retirement and other measures.

This comes on top of a programme still under way for trimming 10,000 of the 36,000 jobs at the three main steel companies, and marks the second stage of a drastic modernisation plan begun by the Socialist Government in 1984.

Job promotion funds made available under the first Pta 525bn plan to cushion the impact of redundancies are being extended under the new scheme.

The aid is pegged to a pledge to reduce production capacity for hot-rolled steel by a further 750,000 tonnes to 17.25m tonnes, compared with 21m prior to entry. This would still be one and a half times current real production.

Under the agreement with Brussels, Spain has the option of ploughing in a further Pta 60bn if its cuts capacity by another 200,000 tonnes.

Soviet industry output falls below target

SOVIET industrial production in the first three months of 1987 grew by 2.5 per cent compared with the first quarter of last year, but fell short of its target by 0.8 per cent, Reuter reports from Moscow.

The Central Statistics Board figures, published in the Communist Party newspaper Pravda, also showed that Soviet foreign trade turnover from January to March dropped by 15 per cent compared with the 1986 first-quarter results.

The foreign trade turnover totalled Roubles 27.5bn (£25.7bn), or Roubles 4.8bn less than in the same period last year.

The results follow a four-fold rise in the Soviet foreign trade deficit with the West last year due to the fall in world prices for oil, Moscow's major earner of the hard currency it needs to purchase goods abroad.

Oil output, at 153m tonnes compared with 149m tonnes in the first three months of 1986, exceeded its target by 0.6 per cent, and electricity, gas and coal production were also above plan.

But growth in the machine-building sector, a priority area in Kremlin plans for economic renewal, fell short of target by 4.2 per cent, with below-level output in nearly all branches, at a cost of Roubles 723m in undelivered products.

Capital construction also fell far short of plan in the energy, and chemical sectors.

● The dissident Soviet psychiatrist, Anatoly Koryagin, left the Soviet Union yesterday, two months after being freed from a labour camp, AP-DJ reports.

Koryagin, 48, who was sentenced in 1981 for accusing authorities of sending sane dissidents to mental institutions, cleared customs at Moscow's Sheremetyevo Airport with his family and boarded a flight to Zurich, Switzerland.

US textiles plea to China

BY ROBERT THOMSON IN PEKING

Mr Malcolm Baldrige, US Commerce Secretary, yesterday called on China to curb textile exports to the US.

At the end of the fifth round of the Sino-US joint Commission on Commerce and Trade, Mr Baldrige said growth of China's textile exports at last year's rate of 65 per cent "is simply not sustainable." He said that without a fall in growth "we will have a chaotic situation."

He said the two countries were due to begin textile negotiations in coming months. Their present bilateral agreement expires this year. Quotas have already been imposed on about 67 items, comprising 75 per cent of China's exports, and Chinese corporations have admitted that they are rushing to export more non-quota items to improve their bargaining position when quotas are negotiated for those items.

Mr Baldrige announced that trade development grants would be made available for studies of Sino-US computer co-operation in education, the improvement of Shanghai's sewerage system, and the prospect for a factory to make Tylenol in Tianjin, near Peking, in co-operation with Johnson and Johnson.

Report attacks management of Brent schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

"MUDDLED and inefficient" management by the Brent local authority in north London is to blame for substandard learning and discipline in the borough's schools, in spite of spending levels among the highest in Britain, says the state educational inspectorate in a report published yesterday.

Mr Kenneth Baker, Education Secretary, gave the local authority until the end of June to state how it will sort out the problems noted in the report, which he described as "the most disturbing I have read."

Mr Baker ordered the inspection last autumn after a political and legal row over the sacking and reinstatement of Miss Maureen McGoldrick, head of a Brent primary school, for allegedly making a racist remark.

The report says the local council's anti-racist policies are not "in themselves" causing significant educational difficulties. The problem was that "too many of Brent's young people under-attain. They do so regardless of sex or race and they do so despite the generous provision Brent makes

The inspectorate points out that the borough has unusual difficulties of racial diversity and poverty, which are known to be linked with poor educational performance. But it says Brent does not provide an adequate explanation of the under-achievement, bad school discipline and widespread truancy

In spite of Brent's high spending on employing teachers and on books, materials and equipment, schools often had shortages of permanent and suitably qualified staff, and buildings were frequently in a bad state of repair.

The council's unwillingness to require teachers to move to where they are needed caused some schools and colleges to have surplus staff, while others did not have enough

The report says about three-quarters of schools are not strongly led by their heads. The teachers in general had unnecesarily low expectations of their pupils

Although the local parents and community groups showed "a large measure of support for the intentions" of the council's anti-racist policies, the ways in which they were being implemented were causing unease and suspicion.

Educational Provision in the Outer London Borough of Brent. Free from Department of Education and Science, Honeypot Lane, Stanmore, Middlesex HA7 1AZ.

Third developer plans big Edinburgh shopping centre

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

CAMERON HALL DEVELOPMENTS, which runs the Metrocentre shopping complex at Gateshead, Tyne and Wear, yesterday unveiled plans for a £200m shopping and leisure centre west of Edinburgh.

Cameron Hall, in partnership with Glassedin Securities, a local company involved in several retail developments in the city, has applied to Edinburgh district council for planning permission for a 1m sq ft shopping complex close to Edinburgh Airport and just off the M8 Edinburgh-Glasgow motorway. The development would also include a Scottish heritage park, a business park and a hotel. It would create 4,500 jobs.

The project brings to three the number of developers seeking permission for 1m sq ft shopping centres west of Edinburgh. Last December, Rover Group applied for permission to convert the former Leyland Truck plant at Bathgate, further west, into a shopping and leisure centre, and permission is being sought for another centre at Whitburn, west of Bathgate.

It is expected that Mr Malcolm Rifkind, the Scottish Secretary, will use his powers to decide between these projects and on four other substantial shopping developments

RUC calls for support after spate of murders

By Our Belfast Correspondent

THE ROYAL ULSTER Constabulary yesterday issued an appeal for people in positions of power and influence in Northern Ireland to declare their support for the police.

The plea followed the murder of Mr Tom Cooke, 62, an an RUC sergeant, as he left a golf club near Londonderry. He was the ninth RUC man to be murdered this year. Three men were being questioned yesterday about the murder.

The RUC said an increase in IRA violence over the past three weeks had left 12 dead, including five policemen and two soldiers. Such slaughter was unacceptable in any society which laid claim to being Christian or civilised, said the RUC.

A statement said: "There is an overdue need for people, particularly those in positions of power and influence, to say clearly without ifs and buts that these (paramilitary) organisations stand totally condemned and that the good of the community lies in the support for the lawfully constituted, democratic forces of law and order."

Sergeant Cooke's murder brought a call from the Northern Ireland Police Federation, representing 11,000 RUC members, for more effective action from the authorities. Mr Alan Wright, its chairman, called for tougher sentences and for more assistance from the army.

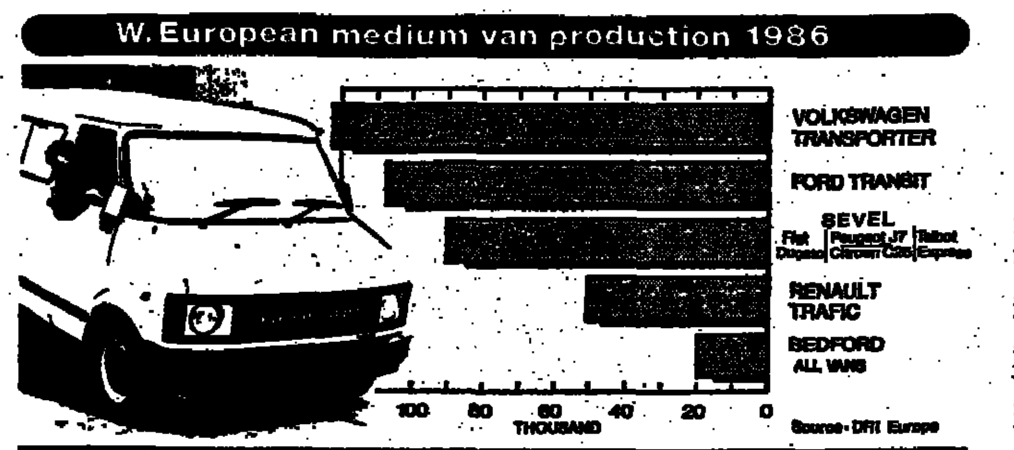
Mr Nicholas Scott, the deputy Northern Ireland Secretary, said the RUC was reviewing its tactics in response to "this quite appalling and cowardly activity by the IRA."

Mr Scott denied a claim by the Rev Ian Paisley, leader of the Democratic Unionist Party, that the British and Irish governments gave a misleading account of this week's meeting of the Anglo-Irish intergovernmental conference in Belfast.

Mr Paisley had claimed a top civil servant had shown him a draft minute of the proceedings, but Mr Scott, who was at the meeting, said there was no truth in Mr Paisley's claims.

Kenneth Gooding looks at the repercussions of blocking the sale of Land Rover

Isuzu fills the gap in GM's van plans



GENERAL MOTORS' decision to hand over medium van production in the UK to a joint-venture company in which its Japanese associate Isuzu will play a large role illustrates in the starkest terms that Britain is still suffering from the repercussions of the Government's hasty decision early last year not to allow the US group to take over Land Rover and Leyland Trucks.

If that deal had been completed, it was GM's intention to acquire as part of the package Freight Rover, the state-owned Rover Group's van business based at Coventry, and to merge it with the Bedford van operations.

But the public outcry about the possible sale of Land Rover to a US group and pressure from Conservative back-benchers forced the Government to remove Land Rover from the deal. GM said "No Land Rover, no deal" and walked away.

Subsequently, the US group ended nearly all production of Bedford medium and heavy trucks at its Dunstable factory with the loss of about 750 jobs.

GM maintained at the time, that the merger of the Bedford van busines with Freight Rover would just about have provided enough potential sales volume to justify investment in a new van range.

Both the Bedford CF, launched in 1968 and now looking its age against modern European competitors in spite of a facelift four years ago, and Freight Rover's Sherpa need to be replaced soon.

However, it now costs about £200m to develop and tool-up for the production of a new medium van range and those European companies which have faced up to this kind of outlay look for an annual output of about 100,000 vehicles to ensure a reasonable return.

The two most important medium van producers in Western Europe, Volkswagen with the West German Transporter II (also soon to be replaced) and Ford with the Transit, assembled in Belgium and the UK (replaced in late-1985), can be reasonably sure of reaching that sort of volume.

Fiat of Italy and the Peugeot Group in France set up a joint venture, Sevel, so that they could benefit from the economies of scale brought by working together. Sevel produces the Fiat Ducato, the Peugeot J7, the Citroen C25 and Talbot Express vans, all to more or less the same design, but using different engines and transmissions from each of the producers.

Renault in France decided to go it alone with the Trafic medium van, but at the same time introduced the heavier Master van range which shares some components.

Before the prospect of buying Freight Rover appeared, GM attempted to develop a "world van," sharing a common design and components but assembled in several countries, including the UK, where it would have replaced the Bedford CF.

This project was cancelled last summer after GM recast its world-wide commercial vehicle strategy, a rethink which also entailed the group handing over its heavy truck operations in North America to a joint company controlled by Volvo of Sweden.

GM says it now has only one option left to make the Bedford van plant at Luton—which it claims is losing £500,000 a week—viable. If agreement is reached, it will hand over the Bedford van plant to a new joint company in which GM will own 60 per cent and Isuzu will have 40 per cent and "play an important role."

While GM yesterday was reluctant to enlarge on this aspect, it is clear that all future Bedford vans will be designed and developed mainly by Isuzu.

By sharing the costs with Isuzu, GM should be able to obtain the required 100,000 annual output once the Japanese group's sales in Japan and through GM dealers in the Far East and Australia are added to the Bedford production for Europe.

The association between GM, the world's largest automotive group, and Isuzu began 12 years ago. Isuzu is ranked seventh among Japanese vehicle producers, with an annual output of about 600,000 cars and commerical vehicles, but has a great deal of automotive diesel engine know-how. GM now owns nearly 40 per cent of it.

GM has helped Isuzu break into European commercial vehicle markets with Japanese-built vehicles, particularly the four-wheel-drive Trooper, by giving the Japanese company access to the strong pan-European dealer network of GM's West German subsidiary, Opel.

The US group also provided financial help by setting up jointly with Isuzu a European distribution company, Convesco, again on a 60-40 basis.

Furthermore, GM spent £70m at the Luton van plant to instal a modern paint facility and bring into production two years ago a one-tonne midi-van based on the Isuzu WFR.

This was followed last year by a micro-van based on a design by Suzuki, another Japanese company in which GM has a small but significant shareholding.

The idea was not only to provide product for Bedford and Convesco to sell but also to find a back-door entry through the barriers to Japanese vehicle sales in Italy, France and the UK.

To ensure the vehicles do not meet problems in these markets, GM gave an understanding to the UK Government that the Japanese-based vans would have a European content—based on ex-factory value—of at least 60 per cent, rising to 80 per cent as quickly as possible.

Similar undertakings will be given about any future Suzuki-designed vehicles which go into production at Luton.

In contrast to the midi and micro-vans, the CF was almost totally of UK content until GM's global-sourcing policy began to have an effect recently. Today the CF uses engines from Opel and transmissions from the Philippines.

GM said yesterday that Luton could be producing 40,000 vans a year by 1990 with half for export. But this forecast will be treated with extreme caution because the group has been consistently over-optimistic in the past.

It predicted, for example, that output of the Isuzu-based Bedford Midi would in the short term rise to 15,000 a year with a potential of 30,000. However, production in 1986 was only 6,689 and is unlikely to improve much.

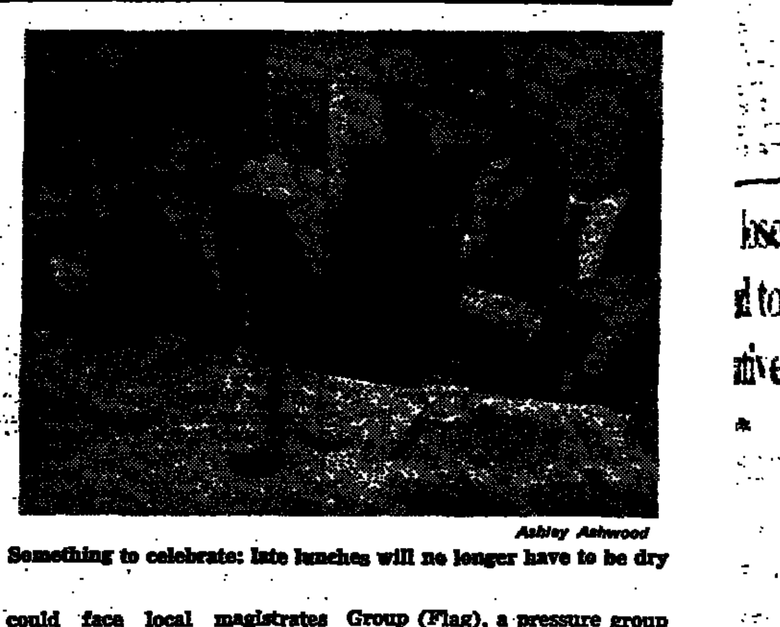
GM also stressed that a key factor in the success of the Isuzu joint venture would be the introduction of new production methods and working practices. "It will be necessary to secure a new employee agreement providing flexibility . . . and thus lead to longer term financial viability," it said.

Even after more than 600 voluntary redundancies since last autumn at the van plant, the current level of output suggests further cuts in the workforce of 1,700 are on the cards, even if no new working methods are introduced.

Only in the longer term and only if the GM forecasts are met would the new joint company need to start recruiting again.

Law reform slakes restaurants' thirst for longer drinking hours

David Churchill looks at changes which allow luncheon customers to enjoy all-day drinking



Ashley Ashwood

Something to celebrate: late lunches will no longer have to be dry

THE MOST radical change for more than 60 years in the operation of English and Welsh restaurants will take place next week.

Diners will be able to drink between 3 pm and 5.30 pm for the first time since Lloyd George introduced restrictions on when Britons could drink alcohol in public in 1921.

Waiters at present are prohibited by law from serving a further bottle of wine or a brandy to their customers between these times.

In Scotland, where licensing laws were liberalised a decade ago, restaurant customers are already able to enjoy all-day drinking with their meals.

The changes in England and Wales are a result of the Licensing (Restaurant Meals) Act 1987 which passed through parliament in February.

From May 2, restaurants will be able to serve alcohol with food during the afternoon. The relaxation includes Sundays when at present alcohol should not legally be served between 2 pm and 7 pm.

The amendments may seem only minor to those who do not lead restaurant lifestyles, but the move could mark the first step towards a total de-regulation of licensing laws.

Moreover, the reform has given new heart to supporters of Sunday trading following the Government's failure last year to liberalise shop opening hours. The Sunday trading lobby may now themselves try piecemeal reform after the election.

The restaurant licensing reform was a result of lobbying by the Restauranteurs Association of Great Britain. Mr Roy Ackerman, its chairman and also chairman of the publicly-quoted Kennedy Brookes restaurant group, says the "relaxation in the law heralds an exciting new chapter in restaurant and licensing history."

He believes the change could add £50,000 a year in takings for an average (100 seater) restaurant and eventually could lead to up to 25,000 jobs being created as restaurants take on extra staff.

"It will be especially helpful to the British tourist industry," he adds. "At present, visitors to England and Wales find our licensing laws ludicrous. At least now they will be able to have a drink with their late lunch."

The change could stimulate the restaurant trade which, although booming in central London, faces a tougher time elsewhere. "With fixed costs such as rent, rates and energy, it makes sense to spread your overheads and stay open for as long as possible during the day," says Mr Ackerman.

Educating the customer to the new licensing hours, however, may still take time. Restaurants most likely to benefit in the short term are the French-style brasseries at present usually serving food all day.

Even conventional English restaurants expect to benefit from a more leisurely weekend trade, when the present restrictions on drinking deter many people from eating out.

The real impact of the change hinges on the definition of a meal. The 1964 Licensing Act defines a meal as "substantial refreshment for which the sale of intoxicating liquor is ancillary."

This is clearly open to different interpretations. Is a bowl of soup sufficiently "substantial" to qualify for drinking champagne during the remainder of the afternoon? Are restaurants offering bar snacks also covered?

Most restaurants are expected to interpret fairly loosely what a meal entails as there is no set legal definition that it has to be three courses plus cheese. Much will depend, however, on how local magistrates view the meaning of the new law.

Restaurants which want to open after 10.30 at night at present have to persuade a magistrate they are legitimate to qualify for the so-called "supper licence."

Restaurants with evening extensions will automatically be able to extend their afternoon hours.

The key question is how public houses will be treated. Many pubs have a separate restaurant open at lunch-time, but not in the evening. They will therefore have to apply for an afternoon extension since they do not already have a "supper licence." But they could face local magistrates unwilling to grant an afternoon restaurant extension to a pub which has to close its drinking-only bars at 3 pm.

Such ambiguities in the law have plagued the licensed trade in Britain since Lloyd George tried during the First World War to improve factory output by restricting the hours people could drink. The emergency regulations were subsequently enshrined in the 1921 act.

Many attempts have been made since then to reform and repeal the legislation but only Scotland has achieved substantive reform. In England and Wales, licensing hours can vary widely according to local magistrates granting particular extensions.

In Wales, moreover, Sunday opening for pubs is determined in each district every seven years.

Lobbying for reform has been co-ordinated in recent years by the Flexible Hours Action Group (Flag), a pressure group of representatives from the licensed trade, brewers, consumer organisations and tourist boards.

The Government last year made clear its support for more flexible licensing hours but became less certain about the timing of legislation to achieve this following its defeat on Sunday trading.

A Private Members Bill, sponsored by Mr Allan Stewart, Conservative MP for Eastwood, is at present going through its committee stages in the Commons. A June general election would probably kill its chances of becoming law if the well-organised temperance lobby in Parliament does not achieve this first.

Mrs Thatcher however may still decide that licensing law reform and Sunday trading are two vote-winners worthy of inclusion in the Tory Party's election manifesto.

APPOINTMENTS

Maurice Phelps joins Sealink UK

At SEALINK UK Mr Maurice Phelps has been appointed director of personnel and employee relations. He is acting chief executive of British Shipbuilders and board member for personnel and employee relations. Mr Phelps takes over on May 5 from Mr Bill Henderson, who will then concentrate on his role as deputy chairman.

★

Mr Michael Turner has become president of the PUBLISHERS ASSOCIATION for the period 1987-1989 in succession to Mr Gordon Graham, who becomes vice-president until April 1988.

★

Mr John J. Hall has joined FENNOSCANDIA, London, as head of its trading operations in foreign exchange, money markets and securities. He was previously with Dresdner Bank, London in charge of treasury and foreign exchange trading.

★

BRITANNIA BUILDING SOCIETY has appointed Mr Norman Cowburn as chairman and The Earl of Shrewsbury and Waterford as deputy chairman. Mr Cowburn, a former managing director of the Society, succeeds Mr John Quipp who has retired. Also elected to the board was Mr David Towner, a senior partner with an Edinburgh firm of solicitors.

★

Mr Gordon Stanger, financial controller at ATKINS HOLDINGS, has joined the board of its service company Mount Diston.

★

PEAT MARWICK MCLINTOCK has appointed partner Ms Sheila Masters head of the firm's public sector practice.

★

Mr George M. Dobie, assistant general manager (investment), who has been in charge of SCOTTISH PROVIDENT'S investment department since 1967, retires on June 30. He is succeeded by Mr Colin W. McLean, who joined Scottish Provident as investment manager on March 1 1986.

★

Mr Malcolm Hughes has been appointed marketing controller of TSB ENGLAND & WALES. He joins from the Prudential Corporation where he spent nearly three years as general manager, marketing and as a director of Prudential Estate Agents.

★

Mr C. R. (Christopher) Streat has been appointed managing director of MARDON FLEXIBLE PACKAGING. Mr Streat has been deputy managing director since December 1986 and was previously purchasing and technical director. Mr C. I. (Ian) Piff has been appointed deputy managing director. Mr Piff was recently in the computer industry, having previously worked with Alliance Smurfit and Van Leer.

★

Mr A. Henry Lyons has been appointed managing director of ROCKFORT LAND and a main board director of the ROCKFORT GROUP. He was formerly managing director of NFC Properties.

★

Mr Nigel Atkinson has been appointed by PRUDENTIAL-BACHE CAPITAL FUNDING as head of the UK corporate finance services division. He was with Kleinwort Benson for 15 years in its corporate finance division.

★

BACHE LONDON has promoted Mr Barry Jones to the board.

★

Mr Sammy Alyi-Deen has joined the board of CHURCHILL FINANCIAL SERVICES LTD. He was formally head of the international division of Al Baraka International.

★

RICHARDS, LONGSTAFF has appointed Mr Keith Mellors chief executive and Mr Darryl Phillips has joined the board as a non-executive director.

★

PETROCON GROUP has appointed Mr W. Alan McCrae as group managing director. He is also a director of Porter Chadburn and chairman of Squirrel Horn.

ECONOMIC DIARY

TODAY: Unions TASS and ASTMS make statement at the London Press Centre on merger plans. Sir Geoffrey Howe, Foreign Secretary, visits Wellington, New Zealand. Icelandic elections.

TOMORROW: Mrs Margaret Thatcher, Prime Minister, meets Mr Jacques Chirac, French Premier, at Chequers. New national newspaper "News on Sunday" published. Mass meeting at the Caterpillar tractor factory at Uddingston, near Glasgow.

MONDAY: Financial Times holds conference "The regulatory issues facing foreign banks in London" at the Barber-Surgeons' Hall, London. EEC Foreign Affairs Council meets in Luxembourg (until April 28). EEC Agriculture Council starts three-day meeting in Luxembourg. Teachers continue industrial action. National Union of Marine Aviation and Shipping Transport Officers annual meeting in Managua (until May 3). Dutch Central Bank annual report.

TUESDAY: CBI industrial trends survey (second quarter). Rolls-Royce prospectus published. Civil Service Union annual conference in Blackpool (until May 1). CSR presentation on company future in Sydney.

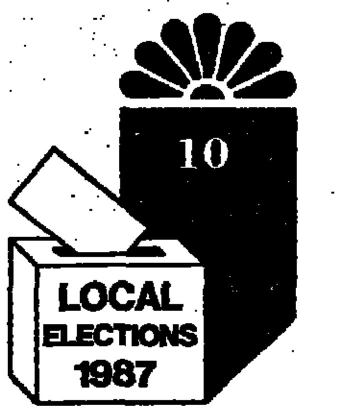
WEDNESDAY: Retail sales (March provisional). New vehicle registrations (March). Quarterly house purchase finance statistics (first quarter). Construction — new orders (February). Bricks and cement production and deliveries (first quarter provisional). Mr Yasuhiro, Japanese Prime Minister, starts week-long visit to US. ACAS annual report. Lord Young, Employment Secretary, at National Economic Development Council conference at Queen Elizabeth II conference centre in London. Tesco results.

THURSDAY: Deadline for Lloyd's of London's offer for its proposed out of court settlement of the PCW affair. Preliminary estimate of consumers' expenditure (first quarter provisional). Energy trends (February). Mr Norman Willis, TUC general secretary, attends Wales TUC conference in Tenby. Crown Agents' annual report. BP annual meeting.

FRIDAY: Balance of payments current account and overseas trade figures (March). Engineering indices of production (February) and sales and orders (January). London sterling certificates of deposit (March). UK banks' assets and liabilities and the money stock (March). Mr Roy Jenkins attends Alliance Party convention in Pitlochry. Mr Neil Kinnock, Leader of the Opposition, to address Wales TUC in Tenby.

Tom Lynch looks at the SDP-Liberal campaign to oust the Tories in Southend

Alliance aims at Channon's constituency



THE LIGHTS flash and digital space monsters meet their noisy end in the amusement arcades along the Southend seafront — surely one of the shortest "golden miles" in the country.

The bustle defies the slightly seedy surroundings and disguises the fact that, away from the neon and the hawkers of garish T-shirts, a fierce political battle is being fought in which a senior minister hopes to avoid the space monsters' fate.

A long-established Conservative hegemony on power in this Essex resort and commuter town, some 40 miles from London, is being challenged by the Liberal-SDP Alliance. It aims to control the borough council after the May 7 local elections and hopes to follow that up with the parliamentary scalp of Southend West's MP, Mr Paul Channon, the Trade and Industry Secretary who has held the seat since 1959.

His downfall has been plotted in a three-year campaign waged under the direction of Ms Nina Stimson, the full-time Liberal agent for Southend West, from an office in an anonymous shopping parade in a comfortable suburb.

The Conservative Party views the situation in Southend West so seriously that it has recently appointed a full-time agent after a gap of about five years.

Mr David Agar, a quiet, determined former Yorkshire policeman, will have a limited role in the local elections but will be in charge of the party's organisation and tactics in the general election.

The organisation he inherits, based in a mini-complex of club, hall and offices near the Alliance HQ, is some way behind that of the Alliance. While their opponents are targeting groups of voters by direct mail and newsletters, the Conservatives rely on the tried and trusted methods of the pre-microchip age.

That is not to say that all is stacked against them. After all, Mr Channon did poll 54.5 per cent of the vote in 1983 against 37.9 per cent for the Alliance. And the Conservatives insist that Mr Channon has been a model constituency MP in spite of carrying the additional burdens of high ministerial office.

So the first task for Mr Agar and his not inconsiderable team of helpers is to raise Mr Channon's local profile and to tell constituents about his efforts on their behalf. The Alliance will seek to belittle any such campaign, but both sides insist it will be a clean fight.

Southend West is an assortment of suburbs and independent towns, such as Leigh and Westcliff, many of whose inhabitants commute to London by rail to Fenchurch Street and Liverpool Street.

Southend East is the town proper where Mr Teddy Taylor, an ebullient populist, has entrenched himself firmly since he captured the seat in a close by-election in 1979.

His pugnacity—in stark contrast to Mr Channon's reserve—may have helped to ensure that the Alliance has not won a council seat in his constituency (though they did gain a defector from the Tories in January). The Alliance hopes to remedy this situation on May 7.

The defection of a councillor to the SDP brought to a climax the erosion of Conservative power in the town—for the first time the party lost control of the council. The Tories are expected to retake that seat in the May poll, but the Alliance has built up to 16 seats and needs only four net gains to control the 39-seat council.

By Alan Harper
Southend Pier: gaiety belies the political tension

Labour, which is expected to add two seats to its present four, has made clear that it will not deal with any other party for a share of power. It has also said it expects the largest group to take control.

The Conservatives are in the unhappy position of defending most seats in this election round—they have nine councillors to re-elect, against four for the Alliance and none for Labour. If Labour performs as expected, the Alliance need only return three of the four sitting councillors and win two from the Conservatives to become the largest party.

The most eye-catching issue in the campaign, and a symbol of the dilemma thetown, is a private-sector plan to build a large artificial island off the seafront. It would include a 2,000 berth marina, a four-star hotel and a conference centre, an indoor water theme park, a sports centre, a golf course, beaches, a lagoon and housing.

The Conservatives on the council have been backing the scheme, because it is in tune with their vision of developing Southend's image away from the "kiss-me-quick" era of penny arcades, ice cream and beach huts.

They have been looking to move into high-value, higher-margin prestige areas of business. For example, they see no reason why the town's airport and its rail links to London should not be exploited to generate more conference trade.

The dilemma for the town is how to sustain *its* important leisure industry. Will thousands of Londoners continue to pour down to the coast on hot summer weekends? If so, what do they want to find when they get there? And will there be customers for more upmarket leisure facilities, or with money to spend on hotels?

Answers to these questions are crucial to solving the employment problem, for in spite of Southend's apparent prosperity, unemployment stands at *about 13 per cent—four points* above the regional average.

Leisure apart, the biggest employers are the airport and the administrative complexes, such as the value added tax division of Customs and Excise and the Access credit card centre.

As with much else in Southend, the Conservatives are accusing the Alliance of incon*sistency over the marina*. They say the Alliance opposed it, then got cold feet when the developer threatened to pull out.

The Alliance counters that the Conservatives were not prepared to consult the local people, and that one of the first fruits of the council becoming "hung" was the *adoption of an Alliance plan* to hold a town referendum on the subject.

Conservatives are outwardly confident of ultimate victory, but in those darker moments when they fear the worst they take grim consolation from the thought that the Alliance may have to justify the consequences of its decisions to the electors.

They accuse the *Alliance* group on Essex County Council, where the Tories form a minority administration, of conspiring with Labour to increase rates and abolish grammar schools.

There is a strong feeling among Tories that the Alliance has got away with playing a negative role for too long. "When they start winning, they don't know what to do," one campaigner put it.

Conservatives in Southend will campaign on their own rates record — poundage down 1p in each of the last two years — the marina plan, two new shopping complexes and their efforts to attract conference trade and businesses from London.

The Alliance says the Conservatives are distorting events at county level—the rates rise was agreed and long-term plans to reform Southend's hotchpotch of schools were shelved after hostile public reaction. Alliance candidates will campaign for help to start up small businesses, for the homeless—about 200 families are in bed and breakfast accommodation—for better transport for the town's disproportionate number of elderly people and for less nightime noise at the airport.

Labour, whose best hope is for the balance of power in a hung council, is totally opposed to the marina, but supports measures to improve leisure and tourism. Its manifesto argues for better housing and transport, with string support for new business ventures to create jobs.

The party is determined to persuade as many people as possible to vote for it—campaigners say they are fed up with hearing Allince calls for tactical voting. They say the Alliance always claims after the poll that all those who voted for its candidates support every one of its policies.

Even if the Alliance does as well as it hopes, it still has to prove that it can turn local election votes into general election victory.

The Tories have the consolation that the Alliance has a lot of ground to cover if it is to achieve the rare feat of toppling a senior minister—especially one whose party is on the winning side.

M62 'should be focus for northern expansion'

By Ian Hamilton Fazey, Northern Correspondent

MR KENNETH CLARKE, Paymaster General and Employment Minister, said yesterday that 500 years after the Battle of Bosworth, the Wars of the Roses ought to be over.

Moreover, where the Pennines divided Lancashire and Yorkshire the M62 now unites them and links the Mersey to the Humber. Mr David Fletcher, head of environmental and geographical studies at Manchester Polytechnic, said the link had created what was really one vast extended city of 11.3m people.

Mr Justin Kornberg, a Bradford businessman, even said the M62 should be renamed "The Motorway of the Roses" and become the focus of deliberate economic expansion by the people, towns and cities along it.

He said this would enable the Mersey-Humber belt eventually to rival and counterbalance the currently more prosperous south-east.

An action group is to be formed to push the idea of a Mersey-Humber strategy for the north, and the issue was explored in depth yesterday at a packed conference at Manchester Polytechnic.

About 200 representatives from industry, commerce, politics, government and academia attended. Mr Jim Howell, senior vice-president of the Bank of Boston and advocate of the Massachusetts' way to economic revival, was also there.

Mr Howell said there were great parallels between the north of England and the New England States, where the equivalent of the M62 was Route 128. The highway had figured prominently in new industrial development, and Mr Howell said: "The M62 is your opportunity."

He went on to say that individuals, not organisations, ensured success in regeneration. He said Massachusetts had experienced a resurgence of manufacturing industry because it had created an environment for innovation and the formation of new businesses by individual entrepreneurs.

The Government's role was to cover areas such as infrastructure and training, and to encourage the raising of capital and new funding methods. His most important function, however, was to support higher education and research.

Mr Howell said that if existing industry and commerce was then fully supportive, the revitalisation process became self-generating.

"Talking-up" the area was a vital part in the process, according to Mr Fletcher. He said it was unrealistic for people to whinge about the state of the north and then expect the world to invest there.

Mr Clarke said the climate had never been better for the north west, Yorkshire and Humberside to project themselves as one united area for new business growth. Unemployment was falling and self-employment was rising.

Mr Clark said there was a chance to develop a new identity "for this belt across the north of England from the Humber to the Mersey," and he added, "I hope people will come to talk about a "new north."

National plan in case of nuclear accident urged

By Max Wilkinson, Resources Editor

BRITAIN NEEDS a national contingency plan for a large-scale nuclear accident says a report by the the Watt Committee on energy, an independent forum for engineers and professional bodies.

The committee said yesterday Britain's planning for nuclear emergencies was geared to relatively small incidents. It added: "Although a major radioactivity release is extremely unlikely, there is a need for a central plan, with a senior minister in charge to co-ordinate the activities of government departments."

The committee's full report, to be presented at a conference in London on May 5, is the result of a study of the Chernobyl nuclear reactor explosion in the Soviet Union a year ago.

Tesco plans £500m store developments

TESCO, the supermarket chain, said yesterday it planned to invest £500m in store development over the next two years.

The investment programme, which would create more than 10,000 jobs, will see an extra 29 superstores opened. It is in line with Tesco's recent programme of replacing its older stores with large-scale superstores.

Included in the investment programme is a joint venture with Marks and Spencer, at Cheshunt in Hertfordshire.

Union executives accept sacking of limb unit strikers

BY JIMMY BURNS, LABOUR STAFF

LEADERS of the two unions in the long-running dispute at J. E. Hanger, the artificial limb manufacturer owned by BTR, have accepted in principle an offer from the company.

The offer—including compensation for dismissed workers, who would not be reinstated—may lead to a settlement next week.

The national executives of Tass, the manufacturing union, and FTAT, the crafts union, have voted to recommend acceptance by the dismissed workers of a settlement based on a compensation fund of £780,000.

Union officials said final agreement depended on the company giving details of the distribution of the funds and the exact terms under which the 130 workers still in dispute would lose their jobs.

The outline agreement may come under fire at Tass's annual conference, which begins on Monday. This could oblige union leaders to force their hand in negotiating terms with the company.

However, it is understood that the leadership of the union is convinced that the dispute cannot be taken any further and that there is a real chance of a face-saving formula acceptable to both sides.

One union official said: "We had reached the conclusion that we were not going to win this dispute, but we are equally de*termined not to lose it.* We are now going for a draw."

The dispute committee, which has been representing the former employees on the picket line since last September, indicated yesterday that it had reluctantly conceded the loss of national support for continuing the dispute.

NO 16—8/8½

The dispute began when the company dismissed all its 300 staff who had walked out in sympathy with four shop stewards sacked by the company. In recent months, over half of them have found alternative employment.

Controversy surrounding the dispute has deepened because of the perceived effect it has had on hundreds of amputees and other patients normally serviced by J. E. Hanger's Roehampton, London, headquarters.

The latest offer from the company emerged after talks between union leaders and management under the auspices of Acas, the conciliation service.

NUPE chief outlines strategy for unions

By David Brindle, Labour Correspondent

TRADE UNIONS, uncertain of their purpose in the years after 1979, now have a broad strategy in their minds, according to Mr Tom Sawyer, deputy general secretary of the National Union of Public Employees.

He says: "We can say that the renewed movement won't seek to reinforce the status quo or return to the past. It will have its own dynamic with as much empasis on 'movement' as on 'union'."

Mr Sawyer, a key member of the Labour Party leadership's "soft" left, sets out his assessment in the May issue of New Socialist magazine. His article develops a theme, which he first outlined in January, that unions are drawing up a coherent alternative to the so-called "new realism."

Opposing, though not dismissing, the new realism practised by the EETPU electricians' union, Mr Sawyer says: "Possibly, for members of the electricians' and like-minded unions—the core workers in the remaining manufacturing base and new technologies—it is a style of trade unionism which will continue to pay off in the narrowest, and most selfish terms."

For other unions, to which the labels "left" and "right" no longer necessarily apply, he suggests that the future lies in "an ability to see their members not only as workers and consumers, but as citizens in the community at large."

He says: "Industrial action will be used carefully and strategically—as in the recent British Telecom strike—to bring about advances for union members. More than ever, though, the unions will be aware of the need to take public opinion into account and to seek to shape it in their favour."

Mr Sawyer argues that while new realism heralds decline for the unions, a majority of them with a clear and strong social purpose, and rooted in both traditonal and new service-based labour forces, would be able to exert strong influence on Labour Party policy.

Polish crew poses risk to security, says NUS

By Our Labour Staff

MR SAM McCLUSKIE, general secretary of the National Union of Seamen, has written to the Government claiming that the chartering of a Polish-crewed ship by a British ferry company poses a security risk.

In a letter to Mr George Younger, the Defence Secretary, Mr McCluskie attacks the decision to allow the chartering of the 7,000-tonne roll-on-roll-off ferry Rogalin, by the newly-established Swansea-Cork Ferries in an area of Wales known for its sensitive defence establishments.

The move coincides with a campaign by the local branch of the NUS in Swansea against the Polish crew.

The NUS there is claiming that the reported decision of the West Glamorgan County Council to subsidise partly the £750,000 cost of the new ferry operation is a misuse of public funds and damaging to local job opportunities.

The union also claims that safety standards of eastern European crews are not up to British standards.

The Ministry of Defence said yesterday it was always concerned about security matters. "But this has absolutely nothing to do with the Ministry of Defence. This is a commercial ferry operating from a commercial port," a spokesman said.

However, the NUS said its opposition to the Rogalin was part of its wider campaign to reverse the decline in UK-registered ships which has made over 2,000 of its members redundant.

Birmingham unveils skills training plan

BIRMINGHAM CITY COUNCIL has joined with the private sector to launch a training strategy to tackle the problems of skill shortages and high long-term unemployment.

Mr Albert Bore, chairman of the economic development committee, said the West Midlands had emerged as one of the main areas facing skill shortages.

Union calls for right to refuse dangerous work

BY MANI DEB

EMPLOYEES should have the right to refuse to carry out dangerous work, according to health and safety proposals, the GMBU general union has put before the TUC.

The union is concerned at the increase in the industrial accidents since 1979. It calls for *legislation* to make employers more responsible, with bigger penalties for breach of safety laws.

"The seriousness of the problem can be gauged by the 700 deaths a year from accidents; 20,000 from occupational diseases; 70,000 cases of disabling diseases and over 500,000 minor but painful accidents," says the GMBU.

The union also wants: union safety officers to have the right to stop dangerous jobs; more health and safety inspectors; a fund controlled by unions and employers for research and information on hazards; and safety representatives to be consulted before new equipment is bought.

A review of the 12 years since the Health and Safety at Work Act was passed in 1974 has highlighted important problems, the report says. The accident rate dropped significantly at first and safety was taken more seriously.

However, with a change in government policies since 1979, the accident rate has risen. This was mainly because of a 20-per-cent cut in the number of inspectors, discrimination against safety representatives, too few prosecutions, and lack of sufficiently heavy fines or jail sentences.

Giving examples of "lenient" sentencing, the report cites: £250 fine after an apprentice was killed on an unguarded lathe; £500 fine after a 16-year-old was killed by fumes while cleaning out a tank; £1,500 fine after a security guard was killed by fumes from a faulty brazier; and £1,000 fine after a garage worker died when an old petrol tank he was removing exploded.

The TUC is considering a number of reports on health and safety submitted by unions. It aims to compile an overall set of proposals that will be put before the TUC Congress in the autumn.

Ford loses second top executive

By John Griffiths

FORD IS losing its second top product development executive within six months.

Mr Ron Mellor, 56, is leaving his job as executive director, product development, at the end end of May.

He is to become secretary (effectively chief executive) of the Institution of Mechanical Engineers.

Mr Uwe Bahnsen, Ford of Europe's vice president of design left in October after 28 years to become director of education at the Art Centre College of Design in Lausanne, Switzerland. He was the prime mover behind the design of the Sirra, Escort, Granada and Transit van.

For said yesterday there was no connection between the departures of the two men most closely responsible for the evolution of Ford's latest product range.

Mr Mellor was responsible for the engineering of the Escort, Sierra and Granada, and their associated engines and transmissions. He was unavailable for comment yesterday.

Colleagues suggest that, like Mr Bahnsen, he has become increasingly concerned about the quality and perceived status of engineers and designers and intends to see them upgraded. "The institution is in for something of a shake-up," one said.

Mr Mellor joined Ford in 1955 from university. He became Cortina product planning manager in 1964 and manager of truck product planning in 1965. He has directed car engineering for Ford in Europe since 1975.

He has recently been involved in setting up a Manpower Services Commission programme in automotive engineering at Loughborough University of Technology.

No replacement for Mr Mellor has been announced. Mr Bahnsen was succeeded by Mr Andy Jacobson, formerly chief designer at Ford's centre in Cologne.

Call for Alliance parity in broadcasting

BY RAYMOND SNODDY

BROADCASTERS are recommending that the SDP/Liberal Alliance should have equality with the Conservative and Labour parties in the number of television election broadcasts for the coming general election campaign.

Both the BBC and the Independent Broadcasting Authority have proposed to the Committee on Party Political Broadcasting that the three main party groupings should each have five 10-minute broadcasts on both BBC and the commercial television channels.

The committee, which groups broadcasters and representatives of the political parties in the House of Commons, has yet to meet to approve the recommendations.

In the 1983 general election, the Alliance was allocated four broadcasts compared to five each for the Conservative and Labour parties. Neither the Conservative nor the Labour parties had any comment on the proposals yesterday.

In recommending parity for the Alliance, the broadcasters took account of the strength of parties in the out-going parliament, the result of by-elections and the number of candidates likely to be nominated.

The Alliance has had the greatest share of the vote in the 16 by-elections held since 1983 and is likely to contest every seat in England, Scotland and Wales.

Use of television is expected to have a powerful influence on the campaign. The BBC will also give equality to the Alliance in party election broadcasts on network radio.

The Scottish National Party would have two broadcasts in Scotland and Plaid Cymru one in Wales. Other parties that nominate at least 50 candidates will be offered one broadcast of five minutes.

The extra broadcast this time will give a small boost to the Alliance which has been fighting a *running battle* with the broadcasters on the amount of airtime it receives, particularly in news programmes.

Step forward for council files access bill

BY IVOR OWEN

THE COMMONS yesterday gave an unopposed third reading to the Access to Personal Files Bill, which will require local authorities to open manual files recording information about council housing and local welfare services for inspection by individuals concerned.

Mr Archy Kirkwood, Liberal MP for Roxburgh and Berwickshire, the chief sponsor of the bill, stressed that the scope of its provisions had been drastically narrowed — medical, immigration, bank, employment, and Department of Health and Social Security files are no longer covered — in order to ensure its passage through the Commons.

The imminence of the general election means that peers will have to approve the Bill quickly, *in its truncated form, if it is* to have any chance of becoming law.

Mr Kirkwood warned ministers that if earlier assurances about voluntary progress towards providing access to medical records were not implemented he and other supporters of the bill would soon be "knocking on their door."

Mr David Waddington, Home Office Minister, promised that consultations to be held by the Department of the Environment, aimed at enabling access to local authority housing files, would not be "mere window dressing."

While congratulating Mr Kirkwood on the success he had achieved, Mr Robin Corbett, Labour frontbench spokesman on home affairs, emphasised the bill was not the one Labour had hoped for.

● Traders who supply replacement exhaust systems deliberately designed to maximise noise made by motorcycles face penalties under a Private Members' Bill which was given an unopposed third reading in the Commons yesterday.

Napf launches campaign to air pensions legislation

BY ERIC SHORT

THE NATIONAL Association of Pension Funds (Napf), the trade association of company pension schemes, consultants and other firms connected with pensions, is to launch a nationwide publicity campaign on the implications of new pensions legislation.

The campaign will be officially launched at the end of the association's annual conference in Birmingham in four weeks.

Under the 1986 Social Security Act, employees will have the righto leav company schemes and take out personal pensions.

The theme of the campaign however will not be warning employees away from personal pensions — the stance being adopted by many trade unions.

Mr Michael Elton, the association's recently appointed director-general, said the message to employees would be "look before you leap."

Mr Norman Fowler, Social Services Secretary, has announced a big publicity campaign from the Department of Health and Social Security to explain the workings of the act.

Employers, urged by trade unions, are expected to devote certain resources in selling their pension schemes to employees. Life companies and other pension providers can be expected to promote strongly personal pensions.

Mr Elton admits employees could become confused by the different messages.

DPP to receive report on Rothschild allegations

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

THE Director of Public Prosecutions is next week expected to receive an interim report on allegations that Lord Rothschild, former head of the Downing Street "think tank," breached the Official Secrets Act.

Sir Michael Havers, the Attorney General, said in a Commons written reply yesterday that police inquiries into the allegations had "necessarily been lengthy and complicated."

Sir Michael, in response to a question from Mr Tam Dalyell, the Labour MP for Linlithgow, explained that the inquiries had not been completed earlier because the officer in charge of the case had been called away to undertake an entirely separate task.

The report has been compiled by the Metropolitan Police and will be forwarded to Sir Thomas Hetherington, the DPP, who will consider whether prosecution is appropriate.

The investigations follow accusations that *Lord Rothschild* had arranged for Mr Peter Wright, the former MI5 officer, to provide information for use in a book on the British intelligence services by Mr Chapman Pincher, the journalist.

The police were asked in December to investigate possible breaches of the Official Secrets Act by Lord Rothschild, although he has emphatically denied improperly passing information to Mr Pincher.

Stock Exchange to quote prices of American depository receipts

BY ALEXANDER NICOLL

THE UNOFFICIAL London market in American depository receipts issued by about 40 big British companies is to be formalised under a Stock Exchange plan to quote the prices on its Seaq automated quotation system.

ADRs are issued by non-US companies to represent their shares and are the form in which foreign shares are traded in the US.

An active New York market in ADRs of UK companies has existed for many years, and they are also traded in London, often to take advantage of arbitrage opportunities.

The Stock Exchange's plan is to have London market makers insert ADR prices to meet the requirements of the new regulatory structure being set up under the Financial Services Act.

Unless trade reporting and price quotations fall under the aegis of a recognised investment exchange, each transaction will have to be reported individually to the Securities and Investment Board, the umbrella policing body.

The Stock Exchange, which is to be a recognised exchange, is therefore formalising the London ADR market to meet the new criteria. However only ADR prices representing "alpha" stocks — the most actively traded UK shares — will be quoted initially.

The exchange believes the increased visibility of ADR prices will not lead UK investors to trade them instead of UK-registered shares. If they did, the Inland Revenue might become concerned because they would escape the 0.5 per cent stamp duty on each transaction.

There is a 1½ per cent tax on the conversion of UK shares into ADRs, but subsequent trades do not attract stamp duty. The exchange feels, however, that UK institutions are likely to be deterred from trading ADRs because they are denominated in dollars.

The exchange is meanwhile proceeding with plans to expand London trading of foreign shares. It has upgraded the Seaq International system, on which prices are quoted, so that more market makers and stocks may be admitted. It also plans to develop an entirely new system, for which it will introduce next year.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday April 25 1987

Politics is not all promises

IF THE financial markets are good forecasters, the following developments can be taken for granted. In Britain, Mrs Thatcher will call a June election and win it handsomely; a cut in interest rates will be one of the last significant acts of her present term of office. In the US the problems of supporting a weak dollar will slow the current recovery in the economy, but no more than the market was expecting in the first place.

This will cause problems for the economies of the European mainland, but Japan will triumphantly adapt to a regime of domestic demand growth and investment in the developing countries. This will simultaneously contain the upward pressure on the yen and cause the debt crisis to go away again.

Trivial affair

The markets are probably too gloomy about the US economy, and are certainly relying on faith (or more probably liquidity) when it comes to Japan; the real question is whether US demand will be buoyant enough to prevent the Third World debt crisis from getting worse. These are minor corrections. However, what is most strikingly absent from the market's summery assessment is political risk.

The trade dispute between the US and Japan is at present a trivial affair in economic terms; and what is more, both sides are firmly in the wrong. It is as unreasonable for the US to deprive its electronics industry of cheap advanced components from Japan as it is for the Japanese to insist that their consumers must forever be compelled to pay ten or fifteen times the world prices for rice, beef and oranges.

The market seems to assume that because both sides are being so unreasonable, both are bound to come to their senses before too long; but this is the logic of unthinking optimism. People do not behave stupidly for fun; they do it because they are driven to it. What is driving both President Reagan and Mr Nakasone is an acute need to rebuild political support at home.

A successful agreement on disarmament may well restore the warmth of feeling for Mr Reagan, which has never really faded; but it is unlikely to restore confidence in him. The picture of a quarrelsome and almost totally disorganised Administration has been painted too vividly to fade. Even the trade sanctions against Japan seem to have been imposed without any top-level discussion.

Even in the best of circumstances, Mr Reagan would have found it difficult to resist the demands of the sectional lobbies demanding a respite from Asian competition; as a Republican Congressman voting against the President on a veto remarked: "He isn't running for re-election; I am."

While it is true that the Democrats are anxious to avoid being labelled a protectionist party, both they and the Administration seem to have decided that vigorous bilateral sanctions against anything that can be described as unfair trade do not count.

Already pressure is mounting not only against Japan, but against Asian rim countries which have not revalued the dollar, and in principle against any country with a large trade surplus. The result is perverse; countries which might be prepared to co-operate quietly are likely to di in when faced with overt pressure from Washington.

It might be hoped that the European Community, led perhaps by a re-elected Mrs Thatcher, could take a lead in sponsoring trade disarmament, and Mrs T is certainly likely to take a high profile at the Venice summit next month, which seems likely to give her the chance once again to conduct her campaign not on the hustings, but on the world stage. However, the EEC is not well placed to oppose bilateral trade restraints. It is a leading practitioner of quotas and pacts.

Realistic hope

The more realistic hope, indeed, is that the markets are wrong about the US economy. Markets deal in money, and do not therefore seem sufficiently aware that while the US trade account is as weak as ever in dollar terms, it has already turned round sharply in volume terms. This simply confirms what economists have known all along; a realignment of exchange rates diverts activity from countries whose currencies go up towards those which go down.

The US economy, in short, is growing for exactly the same reason that the British economy is growing—and the same reason that the Japanese and West German economies are slowing down. The main threat to this recovery is the scepticism of the markets themselves; if a run on the dollar cannot be prevented, then the adjustment, which is so far working well, could turn into a crisis.

That is one good reason for Mrs Thatcher to go to the country while conditions remain fair; but if investors had as much confidence in the US economy (so overpraised when the dollar was strong) as they do in her, then the outlook could remain fair.

The dispute in Britain's schools

Teaching to rule

By David Brindle

QUITE THE BEST of the many militant speeches at the National Union of Teachers' conference this week came from Mrs Norma Rye, an English teacher from Bradford, a grandmother and a self-confessed old-fashioned school ma'am with, she said, no political axe to grind.

To the delight of delegates, she peppered her address with allusions to her twin enthusiasms for the Anglican Church and New Orleans jazz. When she finally sat down after a prolonged ovation, she carried on with her knitting.

One of the other impressive hardline speeches came from Ms Hilda Kean, a delegate from Westminster in London, who remarked upon how much the NUT conference had changed since her first visit in 1976. Then, she recalled, attempts to raise non-education issues, such as the famous Grunwick dispute, had been howled down.

Although one could not be sure, the odds are that Ms Kean, the former left-wing Labour leader of the London Borough of Hackney, had not left a half-finished pullover on her seat when she went to the rostrum.

Together, Mrs Rye and Ms Kean typifying the teachers in England and Wales whose battle over pay, conditions and, now, negotiating rights may have exhausted public and political opinion, but who appear themselves to be tireless in their relentless struggle against a government to which they at times seem almost fanatically opposed.

When Mr Gordon Green, a normally level-headed member of the NUT's national executive committee, can with utter conviction liken the Government's abolition of direct pay negotiations for teachers with "similar stripping away of trade union rights that took place in Nazi Germany or fascist Italy," it is a measure of how alienated much of the profession has become.

How did we arrive at this point? It became plain more than three years ago that teachers were growing restive about erosion of their relative pay levels. The local authority employers were strapped for cash and it may well be, as one county education director observed this week: "If Sir Keith Joseph (the former Education Secretary) had given them another 2 per cent two years ago, none of this would have happened."

Instead, the now-familiar pattern of disruption of school life began, culminating last autumn in the Labour-led employers and a narrow majority of the teachers agreeing on a revised employment contract in the hope of obtaining funding from Mr Kenneth Baker, Sir Keith's successor, for an overall 16.4 per cent pay rise.

In the event, Mr Baker rejected the proposed contract terms and imposed his own, many of which take effect next week. In doing so, however, he made what critics now see as two important errors of judgment.

First, in abolishing the discredited statutory Burnham Committee negotiating machinery he made provision for an independent "interim advisory committee" to discuss pay rises with him in the immediate future. Direct negotiations would not return until at least 1990.

Second, in imposing part of the employers' agreement he applied the stick without offering the carrot: tighter contract conditions were in, but the negotiated guarantees of maximum class size and minimum non-teaching time were out.

Members of the NUT and its new-found ally, the National Association of Schoolmasters/Union of Women Teachers, are now taking up the cudgels on both these issues. Selective half-day strikes are set to continue in protest at the loss of negotiating rights, while a national work-to-rule is to begin in protest at the imposed contract.

Mr Don Winters, the NUT's treasurer, says: "We are accused that by taking industrial action we are setting a bad example to our pupils. Here is a worse example we could set to our pupils: we could remain silent, complacent and compliant while our rights are taken away."

Following the extensive publicity of such comments at the NUT and NAS/UWT conferences this week, the awful thought will have begun to dawn on parents that the war of attrition in their children's schools could yet go on for a very long time indeed.

Mr Baker, though seeming a little less chipper than usual, has been saying that parents should not be too alarmed by the bluster coming from the seaside conferences, that the militants are an untypical minority and that the NUT and NAS/UWT are only two of six teaching unions.

This latter point is somewhat disingenuous. Although there are four other unions, the NUT and NAS/UWT between them probably represent something like three-quarters of the 400,000 teachers in England and Wales—"probably," because teaching unions' membership claims are notoriously unreliable and always add up to more than the sum of the workforce.

Admittedly there are signs of a drift of numbers towards the Assistant Masters and Mistresses Association, which claims 87,000 members in state schools in England and Wales, and the Professional Association of Teachers, which claims more than 36,000. Neither union has staged strikes, the PAT having a rule against industrial action.

On the other hand, it is wrong to conclude that the two main unions are more militant because they have fallen into the hands of the left. Indeed, there is no evidence of any organised left-wing activity within the NAS/UWT, the dominant union in secondary schools, and it is frequently criticised by the left as being less than progressive.

The NUT does have a strong, young left wing. And as Ms Keen observed, the union has changed a lot during the past decade. But the left's voting strength at conference goes no higher than about 40 per cent on most issues and, as was shown by the recent expulsion of three London NUT officers, the union's centrist leadership does not shrink from tough measures to keep the left in check.

Without the anger of the Mrs Rye's, the Ms Kean's would be unable on their own to make the NUT carry on disrupting for disruption's sake.

How widespread, though, is this anger? Away from the hot-house conference atmosphere and outside the particularly bloody battleground of inner London schools, how far-reaching is action by teachers? The answer, it appears, varies dramatically from school to school.

In Leicestershire, for example, the NUT has until now been refusing to cover for absent colleagues in schools where it is strongly organised—action to which the county education authority has responded by making a £5 pay deduction for each refusal.

Under the work-to-rule, NUT members should offer cover of up to three days. But nobody is sure how well this will work, if at all, when term starts next week. Mr Keith Wood-Allum, county education director, says: "I am not particularly looking forward to next term because I think we are going to have some very interesting and very difficult management problems. Quite what they will be is very hard to know."

Another county, which asked not to be named for fear of attracting more union action, says it has escaped relatively lightly, with "serious" disruption limited to 14 secondary schools in the less affluent districts.

Solihull, which has a reputation for a hawkish stance on the dispute, says only about one-third of all its teachers took part in the last half-day strike organised jointly by the NUT and NAS/UWT. However, it reports that a "disappointingly low" number of teachers have resumed attending after-school parents' and staff meetings since refusal to do so was dropped as a national sanction last last year.

Again, it remains to be seen how far teachers will go along with the new employment contract which stipulates attendance at such metings.

The danger now is that the whole climate of school education has changed permanently, and for the worse. Almost unconsciously, one chief county education officer explained this week how he was keeping the lid on things through "plant-level negotiation." Another pleaded for non-disclosure of a semi-secret cover agreement he had reached with the unions at local level.

In addition, the acrimony between teachers' leaders and the Government is seriously jeopardising educational initiatives such as Mr Baker's city technology colleges and his plans for a national curriculum with tests for pupils at ages seven, 11 and 14.

Most of all, perhaps, the idea of teaching as an open-ended vocational commitment may have been buried for good. Even if Mr Baker reintroduced direct pay negotiations tomorrow, that would not deter many teachers from henceforth regarding their now-precise contract (1,265 working hours at the direction of a head teacher or local authority; 195 working days a year) as the time to be spent waiting for the factory hooter.

Mr Wood-Allum, contemplating another unpleasant term in the schools of Leicestershire, says sorrowfully: "I think in the end we have lost something as a society in trying to tabulate what the professional commitment of a teacher is. It is a great, great pity."

Man in the News: Kenneth Baker

KENNETH BAKER, the Secretary of State for Education and not a man normally to eschew publicity, says he expects to be off the front pages by Tuesday of next week.

Baker—for him—has had a rough week. True, the outbursts of the big teachers' unions at their annual Easter conferences may not exactly have inspired sympathy for the teaching profession. But they were a reminder that, almost a year after he was appointed, Mr Baker has still not restored peace to the schools.

It is a myth, which perhaps the history books will expose, that the Thatcher Government only discovered the importance of education with Baker's arrival at the department. The spadework was done by Sir Keith Joseph who volunteered for the job in 1981 and stayed until Baker succeeded him. Sir Keith turned over every stone to find out how the system worked and how it could be improved.

Where Baker was supposed to be different was that he has the extrovert charm and the public persona to implement Sir Keith's reform. Above all, he had the budget.

It was not that Sir Keith was niggardly with funds, though he was working at a time when exchequer revenues were less buoyant than they are today. Rather he thought that new money should not be paid to the teachers until they had promised to deliver the goods in terms of higher standards.

Baker arrived at what can now be seen as the beginning of a completely new financial climate. Witness the general increase in public expenditure in last year's Autumn Statement, which surprised both the Government's internal critics and the political opposition alike, or this week's acceptance of the full pay award to the nurses. Money has become the Government's secret weapon. Baker has been doling it out to education almost since his first month at the department.

So what, if anything, has gone wrong? The answer may be: not very much. There is to be a general election quite soon. Education will play a large part in the Conservative Party manifesto. That may delay the timing of some policy statements, but the Baker view seems to be that the loss of a few weeks is neither here nor there. There might be continued disruption in some schools in the summer term, but the smile is firmly set on a new start by the autumn.

The big sticking point, on which he has received some flak from his supporters as well as his opponents, is the future machinery to determine teachers' pay. The old Burnham system has been abolished to no one's great regret. It is to be temporarily replaced by

an interim advisory committee, appointed by the Secretary of State, which by statute can run till 1990. After that, the hope is that new permanent negotiating machinery can be established. Yet even the interim committee has not yet been named

Baker knows that the failure to move on the pay machinery is said to be his main weakness, but does not seem to be in too great a hurry. He is waiting for proposals to come from the unions, the local education authorities, the parent-teachers' associations and the churches, but it is more a matter of his door being open than of his going to them. He would like the permanent machinery in place by 1988, yet doubts if it will be possible. Still, he insists that in the long run the idea of the Secretary of State being the main determinant of teachers' pay is undesirable.

For the rest, he expects the announcement of the establishment of a third City Technology College in the next couple of weeks. The CTCs were one of the genuine Baker initiatives designed to bring private money and private management into education. As such, they are not necessarily popular either with the unions or the local authorities. But since he only revealed the plan at the party conference last October, three so far is not bad going.

The emphasis in the manifesto will be on the national curriculum—not Baker's idea, but one he has embraced with total dedication. "The time when boys stopped learning a foreign language at 15 and girls stopped learning science at 13 will stop for good," he says.

His commitment to education with a small "e" is beyond question. He is himself an extremely well-read man and also versed in the sciences. What has sometimes been in doubt is his power to finish the job. It looks, however, as if this time he will have little choice. It will be surprising if there is a new Secretary of State after the election.

Malcolm Rutherford

Time to face the difficulties

CAN LABOUR win? There will be many members of the party who believe that it is dangerous even to ask the question.

The conventions of blather and bluster, which still dominate too much political debate, demand constant predictions of certain and outright victory. They impress nobody. Indeed, obviously exaggerated claims damage the parties about which they are made. *Braggadocio* is decoded inside the electorate's head and the message which comes out is a confession of a beaten politician fighting to preserve his morale and dignity.

I am fighting for a Labour victory. It is more likely to come about if we admit that what is within our grasp is far from being in the palm of our hand.

Unless we acknowledge the difficulties which we face, the voters cannot be expected to recognise either our will or our capacity to overcome them. There is no disguising the problems which stand between Labour and victory. If we pretend that they are the invention of a prejudiced press, potential supporters will refuse to take our hopes of government seriously.

Labour's ability to defeat and replace the Conservatives — a potential possessed by no other party — remains our greatest single asset. It is increased in strength every time Dr David Owen edges closer to the Conservatives. But to win, we have to look like potential winners.

If Mrs Margaret Thatcher's defeat appeared impossible, support for any other party would become an act of protest rather than a choice of government. There are not enough protest votes in Britain to make up a parliamentary majority.

The Labour Party wins elections when it reflects the views and represents the hopes of the men and women from whom it has traditionally drawn support. We lose when we allow ourselves to be represented not as a national party, but as a loose confederation of pressure groups and minority interests. That choice has not been radically altered by the changing nature of society.

Certainly, there are fewer blue collar workers committed, by conviction and self-interest, to their trade union and the political party which their trade union supports. But the new middle classes—whether they are the men and women who came home in 1945 or their sons and daughters who graduated from the polytechnics—have the strongest personal interest in what has again become mainstream Labour policies.

Labour's task is to convince them that it gives policies on those subjects the priority which the voters think is deserved, and that it is possible to deliver the improvements which electors want and need. The reality of Labour's programme on all these issues must not be obscured by assaults from the most dangerous axis which the party faces—the partnership of left-wing extremists and right-wing newspapers.

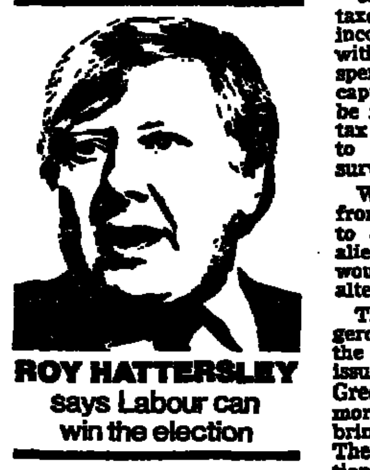
To argue that to defeat that partnership obliges Labour ruthlessly to concentrate on the basic issues of jobs, houses, hospitals, pensions and schools is now the most hackneyed of political cliches. Like most cliches it is true. But it is only part of the truth.

What we propose in those limited but crucial areas has to be described in statements which are always detailed and sometimes dull. Labour's publicity is superb, but the rose must have its roots deep in carefully constructed policy. The substance is there. It must not be obscured by the style.

We have to fight a campaign which is based on the constant exposition of our policy. That is an assault upon the high ground of politics.

I do not, for a moment, argue against exposing past Tory failures or revealing the truth about the Conservatives' intentions. But we cannot rely on the hoary old folk wisdom about governments losing elections rather than oppositions winning them. Mrs Thatcher's ruthless willingness to sacrifice everything except her target voters has combined with the sycophancy of her Fleet Street friends to force the challenger to take the initiative.

The description of a credible



ROY HATTERSLEY
says Labour can win the election

alternative is only possible if items for inclusion in our manifesto are selected by the ruthless exclusion of the mass of trivia which clogged up our programme in 1983. Our manifesto must bear in mind the one group which we forgot four years ago—families with little or no party political interest.

We need the votes of the men who wash their cars on Friday nights rather than going to political meetings, and the women who would rather watch the South Bank Show than Panorama. A national party must give weight to those things which lie most heavily upon the conscience of the non-political majority—health, education, housing, pensions and jobs. And these issues must not be obscured by a mass of minor promises.

Even a commitment to concentrate on essentials will require other difficult selections to be made. There will be matters of profound importance which must be excluded from the manifesto simply because they cannot be afforded.

The anti-poverty programme —increased child benefit, improved pensions and a long-term unemployment allowance —can be financed by higher taxes on the top 5 per cent of incomes. The jobs programme, with its consequent extra spending on public sector capital and public services, can be funded by returning income tax and government borrowing to the level on which we survived last year.

We have to describe exactly from where the money is going to come, even at the risk of alienating those voters who would prefer the Conservative alternative.

The most difficult and dangerous dilemma of all involves the way we treat the minority issues, which dominated the Greenwich by-election and did more than anything else to bring about Labour's defeat. The most crucial minority question of all is Labour's attitude towards homosexuals. Electoral success does not require us to deny equality of treatment or respect.

But we do have to treat the subject in a way which respects majority as well as minority opinion. Homosexuals must have equal rights—not special rights. That is Labour Party policy. But what some groups demand, and what some newspapers gleefully report as Labour's attitude, goes much further than that. Not only is it represented as party policy, it is also represented as being more important to the party than any other issue. The truth—which we must constantly repeat—is that other issues are of equal is not more importance to the party, to the country and to the vast majority of homosexuals.

Of course, even during the election campaign, some groups will insist on describing their own variants on official party. Some, for example, will insist tha the only question which matters is race and, ignoring the ethnic minorities' desperate need for houses, better schools, easier access to medical care and jobs, will denounce a policy which aims to meet a national need as inadequate for the minorities and, therefore, racist. There will be demands to bale out the handful of councils which have indulged in unacceptable creative accounting —if necessary to the disadvantage of the hundreds which have struggled on lawfully during the years of constantly reducing government grant.

We cannont pretend that such people do not exist. For everything they say will be made into headlines.

We have to make emphatically clear that such groups speak for no one except themselves and that they are, and will remain, wholly uninfluential inside the party. During the campaign there can be no reprieve for mutineers or deserters. The party's electoral success depends on their little revolts being put into perspective.

Of course it would be better if such things did not need to be done. But it would be better if we started the campaign 10 points ahead in opinion polls, and with the The Times and Daily Telegraph braying for the Government's destruction. Perhaps, if we could choose the time and place, the battle would not be here and now—and it is silly to pretend otherwise—but this is not the time for fantasy. The reality is that Labour is faced with a series of hard choices. If we face every one of them bravely, the answer to the question "Can Labour win?" is a resounding "Yes." We can go into the campaign confident and rejoicing.

NUCLEAR POWER AFTER CHERNOBYL

A year ago tomorrow, a Russian power station blasted a radioactive cloud across Europe. Thirty-one people died and thousands face the risks of cancer. But, say FT writers, the accident's impact upon the nuclear power industry and its emergency planning has been strictly limited

Dozy days down at Peach Bottom

JUST 11 months after the *Chernobyl nuclear disaster* had sent shock waves across the world, a nuclear plant in the US was ordered to close down because the operators were going to sleep on the job.

This plant, with the unlikely name of Peach Bottom, near Philadelphia, was shut, as it happened, on All Fool's Day, after the US Nuclear Regulatory Commission heard that three of the five night operators routinely installed themselves into "big comfortable armchairs," put their feet up and slept while the reactor was pouring out 1,000 MW of power.

These slumbering workers and their dozy management appear not to have dreamed that the explosion of a nuclear plant in the Soviet Union a year ago tomorrow carried any lessons for them. Nor, apparently, did they hear the clamour of evidence that the main cause of the disaster at Chernobyl—and of the accident at Three Mile Island in the US in 1979—was negligence by station staff.

The episode shows that, whatever lessons may have been learned from Chernobyl, a huge gulf still separates public perceptions of the dangers of nuclear power from the complacency of at least some sections of the industry. But perhaps a more significant aspect of the Peach Bottom story is that this was the first time the US commission had ordered a nuclear plant to be closed because of the deficiency of its operators.

More generally, it is clear that the attitudes of nuclear regulators, governments and utilities towards safety have stiffened significantly since the accident. This is partly under pressure of public anxiety and partly because governments have suddenly become much more interested in how plants are being run beyond their borders.

For these reasons, international co-operation has been intensified in the Vienna-based International Atomic Energy Agency (an offshoot of the UN) and in the Nuclear Energy Agency in Paris. Countries with nuclear power have agreed, in general terms, that more needs to be done to ensure that standards of operation, training and safety are always good.

It remains to be seen whether these good intentions will be translated into effective practical measures. The IAEA has no power to enforce minimum standards: it can only recommend. Countries like Britain and France, which are proud of their nuclear inspectorates and have high standards of training, are less than enthusiastic about the idea of an extra layer of international bureaucracy. The prospect of teams of European and Japanese inspectors policing the 100 nuclear power plants in the US is remote, though Dr Hans Blix, IAEA director general, hopes that countries will increasingly invite inspections by the agency's 200 experts.

So, in spite of an unexpected burst of openness by the USSR after the accident, and increased technical co-operation, it is not likely that international safety standards can be applied to the Soviet nuclear programme, except through a general seepage of ideas.

Mr David Marples, research associate at the Institute of Ukranian Studies in the University of Alberta, Canada, believes that Soviet assurances of improved reactor safety may be much too superficial. In a book*, timed for publication on the disaster's anniversary, he says the Soviet nuclear programme is pressing ahead in spite of serious shortages of skilled manpower and poor or non-existent quality control in construction.

Although the accident at Chernobyl was caused by weak design and a series of deliberate violations of safety procedures, Mr Marples judges that organisational problems and the economic imperative for pressing ahead with the nuclear programme are a continuing worry in the Soviet Union. No doubt the authorities will take safety more seriously, but it remains to be seen whether the Soviet bureaucracy can root out its equivalent of the Peach Bottom Syndrome.

The effect of the accident on the prospects for nuclear power in the rest of the world are equally difficult to measure, partly because attitudes towards nuclear power had been changing anyway and partly because the collapse of oil prices last year made the economics of nuclear electricity seem less secure.

Estimates, to be published soon, will show that figures for nuclear output for the year 2000 have been downrated by only 5 per cent. The largest downrating (about 10GW of capacity) has been in pro-nuclear France and reflects not safety fears, but a more cautious view of electricity demand. Japan, too, has cut its projections by about 5GW for the same reason, while Italy and the US have cut projections as a result of difficulties which pre-dated Chernobyl.

So it seems that about a quarter of the industrial world's electricity will be generated from nuclear fuel at the end of the century compared with about a fifth now.

Part of the reason for these increases is that many of the plants expected to start operating in the next five to 10 years are already in an advanced stage of planning or under construction. In Britain, for example, the Sizewell B station, which received the go-ahead in January, had been planned five years ago.

In the US, 8GW of nuclear capacity (8 Sizewells) has come on line since the Chernobyl accident and, according to Dr Chip Bupp, of Cambridge Energy Research Associates in Massachusetts, the same amount will be added this year. Yet no nuclear plant has been ordered without cancellation in the US since 1973, and Dr Bupp believes it is unlikely any will be ordered until late in the next decade.

However the US nuclear industry was in notorious difficulties long before the Chernobyl accident. These included scandalously bad project management, frequent interference by safety regulators, refusal by state and local authorities to co-operate in making plans for emergency evacuation and the hostile attitude of some regulatory commissions to price increases needed to cover capital costs.

The direct effects of the Chernobyl disaster are, therefore, hard to distinguish, though there seems little doubt that most electric utilities will be confirmed in their suspicion of nuclear power.

In Europe, where the chill of fear was felt more directly, it has been easier to identify the effects. In Sweden, the 12 reactors which produce 42 per cent of the country's power are to be closed down in stages, starting in 1993, but the effect of Chernobyl was only to give more urgency to a referendum result in 1980. In West Germany, the accident has reinforced the strength of local opposition. In Italy, a moratorium on nuclear development seems possible.

By showing that a nuclear catastrophe is possible, Chernobyl has, therefore, changed the climate of opinion, even though it has not altered the decisions of governments with substantial nuclear ambitions, notably France, Japan, the UK and the USSR. It has confirmed the uneasiness of centre to left opposition parties over nuclear power, particularly in Britain and West Germany. It has helped the campaigns of those who claim nuclear power no longer has a clear economic advantage.

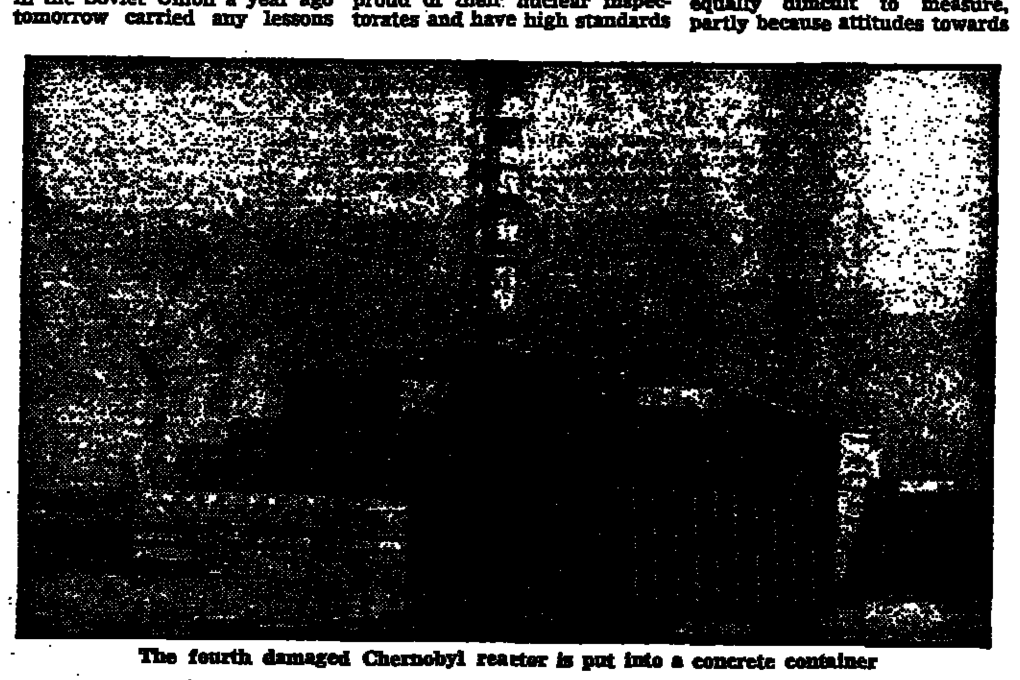
On the other hand, after a year in which nuclear power has been a headline topic, many voters may be better informed. Mr Valery Legasov, the Soviet academician, says the Chernobyl accident shows that the worst credible nuclear accident is not out of scale with other man-made disasters. Only 31 people, mostly firemen or station staff, have died so far. Although many more may eventually die of cancer, it will be impossible in most cases to attribute the cause directly to Chernobyl radiation.

The evidence from opinion polls, in the UK at least, is that the surge of opposition to nuclear power last summer is gradually subsiding. The world's nuclear industry will hope that, with greater openness and a determined effort to tighten standards, it may be able to regain most of the lost ground. But it cannot afford another accident, even a small one.

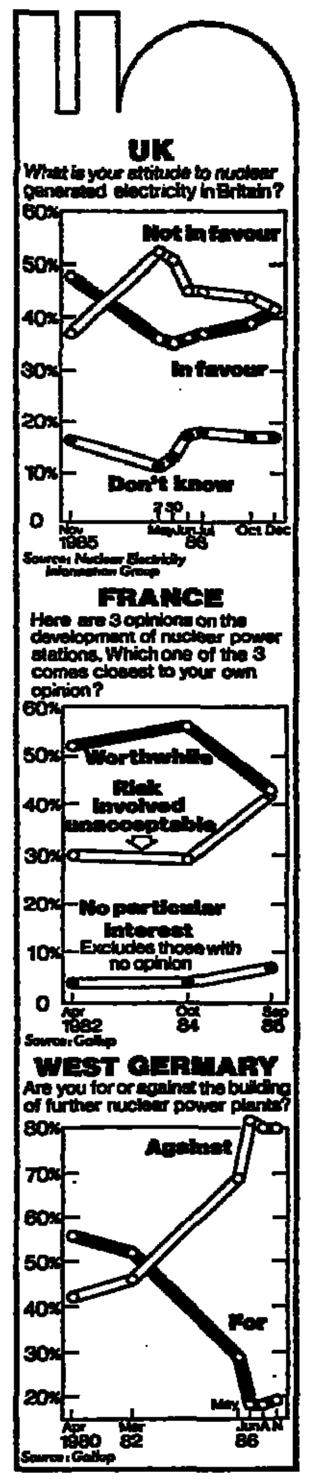
And although nuclear engineers may be confident that the world's 550 nuclear reactors could run quite safely with every operator fast asleep, that is one experiment they had better not permit.

*Chernobyl and Nuclear Power in the USSR, Macmillan Press (£25 hardback, £8.95 paperback).

Max Wilkinson



The fourth damaged Chernobyl reactor is put into a concrete container



Crisis management: position still vacant

FOR JOHN DUNSTER, Chernobyl was the second nuclear reactor fire in which his expertise as a radiation physicist had been brought into play.

The first was at Windscale, Cumbria, in 1957, when many tonnes of uranium in process of being transmuted into plutonium for nuclear weapons overheated, caught fire and blazed furiously for two days.

He remembers how swiftly the factory itself returned to its top-priority task of making nuclear explosive once the fire was out. It had no transport to spare for his survey of fall-out on the hills of the Lake District. But they gave him authority to ring up the Army CO in Carlisle and commandeer resources. Later the Army billed him—"six pence per mile for vehicles, six pence per day for soldiers," he recalls wryly.

Nearly 30 years passed before Dunster encountered a similar situation, by which time he had risen to become director of the National Radiological Protection Board. This is the Government's independent "watchdog" of specialists monitoring public exposure to radiation—from microwave ovens as well as nuclear industry activities.

The NRPB's headquarters and main laboratories are near Harwell in Oxfordshire. But it is independent of the nuclear industry and reports to parliament through the Department of Health.

But neither government nor the watchdog itself ever intended that it should assume the public role into which it was thrust by the radioactive cloud from Chernobyl.

It was a case of an "orphan accident," 2,000 miles away, for which no British government department picked up responsibility quickly enough. The Defence Ministry has a nuclear emergency system with powerful communications and international links, but Chernobyl was not in its bailiwick. The Energy Department also has an emergency system and a two-way link with France but again the accident lay outside its sphere of responsibility. The Environment Department was made responsible—but it lacked any emergency system to cope.

The public, alerted by its TV exposure to the existence of John Dunster's watchdogs, turned to the NRPB for data and reassurance.

As Dunster sees it in retrospect, the Government's decision not to go to full alert earlier that week "was a perfectly sound technical judgment but a poor public relations judgment."

When a Radio Four phone-in programme gave listeners the NRPB number "our switchboard just died," he said. It handled 10,000 calls in 10 days

Dunster himself has been the focus of much media attention. He comes across well as a confident, highly articulate scientist, prepared to look the public squarely in the eye. But his professional honesty got him into trouble with some peers when he forecast how many Britons might die as a result of the Chernobyl explosion.

"If you tell someone that the individual risk is less than one in a million in his lifetime, it sounds terribly small. But say 50 deaths and it just sounds terrible. Yet they're the same number."

At the EEC's invitation, the NRPB performed the same exercise for the whole of the European Economic Community. This survey, published last month, is based on measurements made in the first month after the accident. The numerous radioactive substances released in the cloud have half-lives ranging from hours to many years. At the NRPB, Jane Simmonds and her colleagues have attempted to calculate radiation doses to average people over the next 50 years.

These vary widely, by a factor of nearly 3,000 between the lowest exposures in Spain and Portugal, untouched by the cloud, and the highest in southern Germany.

Some EEC countries placed restrictions on foods to try to limit any extra burden of radioactivity picked up by people. The study finds that such measures may have halved the radiation dose for those most exposed to Chernobyl's cloud. But on average throughout the European Community such countermeasures are thought to have reduced the collective effective dose by only 5 per cent.

Their preliminary estimate is that Chernobyl will be responsible for an additional 1,000 terminal cases of cancer in the European Community over the next 50 years, of which about 50 will be in Britain. But this number will be submerged in a total of some 30m terminal cases of cancer in the EEC during the period, and impossible to distinguish as having been caused by the accident.

Even in the case of thyroid cancer, where an extra 2,000 cases is estimated from uptake of radioactive iodine, the number will be submerged in a total of 300,000 cases expected even if Chernobyl had never happened.

This summer John Dunster retires as director of the NRPB, after a career devoted to radiation protection which began in 1950 when Harwell sent him as a young physicist to monitor radioactive discharges into the Irish Sea. To crown this career, two major consequences of Chernobyl in which he has participated may materialise this spring.

In Luxembourg next week he will be chairman of the final session of an EEC symposium of experts who have been asked to agree internationally acceptable figures for radioactive levels in food following a nuclear accident.

It remains the case that there is no internationally agreed body to set standards for levels of radioactivity permissible in food in the way that there has been for levels of radiation doses to people. Equally there is no body to co-ordinate responses in the event of a nuclear power accident with international implications. EEC Ministers did not meet to discuss reaction to Chernobyl until May 7, 11 days after the reactor exploded. At that point Ministers agreed to restrict food imports from East Europe.

Immediately after the accident, with no agreed standards, politicians were mainly concerned not to be seen to be laggardly in efforts to protect their own people. Levels were set which imposed an economic burden out of all proportion to the extra protection they offered.

The Norwegians, for example, followed the Swedes in initially setting a very low limit of 600 bequerels of radioactivity per kilogram of venison, but relaxed this by a factor of 10, to 6,000 bequerels, when they recognised that the restriction could drive Laplanders out of existence.

Britain faces the same problem in lesser degree with its uplands sheep farmers, whose flocks also graze off slow-growing plants like moss, heather and lichens, in which fallout persists long after it has disappeared from lower and lusher pastures.

If Dunster can cajole the radiation experts into agreement on limits, it will then be up to the European Community to weave them into a flexible policy for nuclear crisis management. This will be attempted during the first week in May.

For Britain itself, there remains the question of how to manage the next nuclear crisis. Since Chernobyl, a Cabinet Office committee has been studying ideas for a national plan which will focus public interest and worries elsewhere, leaving the NRPB able to communicate freely with other expert bodies and parts of government. Dunster says it was too busy even to pass its own data back to bodies like British Nuclear Fuels which were freely providing fallout data for large tracts of the north-west.

The plan is expected to surface in a matter of weeks. It will include a computerised crisis control centre which will undertake extra monitoring of fallout, and will disseminate public information.

On past experience, whatever emerges must expect to stand untested in earnest for decades to come, so above all it needs to be robust, says John Dunster. What no-one will know for sure until it is tested in earnest is whether it will cope as competently as the NRPB coped last spring.

David Fishlock

Moscow presses on, but not regardless

By Patrick Cockburn in Moscow

THE MOST important long-term effect of Chernobyl on the Soviet Union is as a symbol of the disastrous consequences of economic mismanagement. Mr Mikhail Gorbachev, the Soviet leader, has used it as an example of the bankruptcy of the rough and ready methods of the past, attacking the notion that the country can muddle through without too many radical changes.

Chernobyl was also a watershed in the treatment of information. The first 10 days after the reactor exploded was the last time the Soviet Union tried to suppress news about a disaster with the claim that it was largely a concoction of foreign propaganda. Subsequent accidents such as the sinking of a cruise liner in the Black Sea, with the loss of 398 lives, have been reported fully and immediately.

Glasnost (openness) had started before Chernobyl but the futility of secrecy about a catastrophe which had set *geiger counters clicking* across Western Europe gave it an important boost. It also showed the Kremlin the political dangers of creating a vacuum of information about a matter of deep public concern—a vacuum immediately filled by rumours, such as the *notorious report of 2,180 dead.*

Greater freedom of expression for the press, combined with the political impact of the catastrophe means that the intelligentsia can for the first time effectively oppose major schemes on environmental grounds. Four months after the disaster the Politburo announced that a vast plan to divert water from the rivers of northern Russia into the Volga had been cancelled because of public concern.

Will it affect Soviet plans *to increase rapidly its total of* atomic power stations, however? There are many more doubts post-Chernobyl, but the general thrust of the Soviet energy programme looks irreversible. Too much investment has already been made in creating the capacity *to build more reactors.*

The basic calculation, said Mr Anatoly Mayorets, Minister of Power and Electrification, on the eve of Chernobyl, is that atomic power is cheap.

There is no sign that Soviet planners have changed their minds. They say every 1,000 Mw reactor installed means 2m tonnes of fossil fuel saved. Their strategy is to rely on atomic power stations in the European part of the country and on opencast coal mines in Siberia and Central Asia.

Under the present five-year plan the proportion of electricity generated through atomic power is to rise from 10 per cent now to 20 per cent by 1990 and to double again by the end of the century.

But conversations with Soviet officials and citizens reveal much greater anxiety about nuclear power and this could have a long-term impact. *Planning of nuclear* power stations will not go through on-the-nod quite as it did before April 1986.

More immediately Chernobyl has had an effect on reactor choice. Earlier this week *Mr Nikolai Lukonin*, Minister of Civil Atomic Energy, said that, of the 11 atomic power stations planned, only two where construction had already started would have Chernobyl-type graphite-moderated reactors.

The Government says that in future only pressurised-water reactors will be used.

Meanwhile the loss of *power from Chernobyl* has had little effect on the Soviet economy. The plant produced only 4,000 Mw out of total Soviet output of about 300,000 Mw. Even the additional loss of capacity when the other 11 RBMK-1000 Chernobyl-type reactors were closed for the installation of safety devices and the delay in bringing newly built plant on stream had little impact because electricity consumption drops by 22 per cent during the summer.

Some small and uneconomic power stations previously decommissioned were brought back on stream. The coal, oil and gas industries, boosted by more investment and better management, all met or surpassed their planned targets last year helping to ensure that the general picture of the Soviet energy industry is healthier, despite Chernobyl, than at any time this decade. The fall in the world price of oil last spring had a far worse effect on the Soviet economy than Chernobyl.

The greatest cost of the accident was, of course, borne by the area around the Chernobyl plant. Thirty-one people died and 135,000 were evacuated from the 30-km exclusion zone in the Ukraine and *Byelorussia. A few have* been allowed back to their villages but most are still refugees. The cost of the losses in goods, homes and agricultural produce, and of looking after evacuees is put by the Government at about 2bn roubles (£2bn) and is continuing to rise.

The political price paid by the Government at home and abroad is more difficult to assess. Chernobyl is not a good test of the trend towards greater accountability of officials. The managers of the plant are to be brought to trial in Kiev but Mr Vladimir Shcherbitsky, for long the party chief for the Ukraine, has not been removed. In Moscow few heads have rolled although the Soviet nuclear power industry answers primarily to the top and not to local authorities.

The international cost to the Soviet Union has been lower than appeared likely at the time when Moscow was denying that anything had occurred or, if it had, that it was no one's business but its own.

Moscow has evidently benefited from the need of other governments to protect the reputation for safety of the civil use of nuclear power. "Once the Soviet level of co-operation had risen to a politically acceptable level the pressure was off," says a western diplomat.

Letters to the Editor

City heritage and the scheme of things

From Mr N. A. de Berry.

Sir,—Writing from Wardrobe Place, originally the site of the King's Wardrobe, in the shadow of St Paul's Cathedral, now a quiet courtyard with *protected* Georgian buildings, Mr Cassidy's letter (April 23) and Mr Croot's letter (April 8) revive a fear, which must be shared by many who appreciate the history and architectural wealth of the City.

The City has been a centre of *commerce* and culture since it was rebuilt by the Romans, after Boadicea sacked it in AD6, and has been a trading market of importance since the nation began. The international markets at Lloyd's, the Stock Exchange, the Baltic, the Royal Exchange and, not least, the international banking market clustered about the Bank of England are just some of those in operation today. The last mentioned has emerged to be unique in world importance, with more banks and securities houses than any other city; there are more than 55,000 people employed by foreign financial institutions alone.

There also exists a danger that people misunderstand the extent of the prosperity that the international centre has brought, and will continue to bring, to London and indeed the UK as a whole. In addition to the construction business, the wealth of City institutions is of great benefit; and the service companies, equipment manufacturers, restaurants, hotels, airlines, splendid churches, shops and the street markets surrounding the City are all a party to the City's financial growth.

Let us hope that badly designed and inefficient buildings will not be preserved by support that stems from well meaning groups, with not enough knowledge of the scheme of things. The heritage of the City should certainly be conserved, but heritage means "that which has been or may be inherited." It should not be hard for new designs to be improvements on the current towers and cold isolating walkways that make up much of the Barbican office area.

Lastly, Mr Croot's fear that new developments will not be needed must mean that he has not access to the same research as the world's largest financial institutions.

May I suggest, with respect for the City Heritage Society and for the considerable problem confronting Mr Cassidy and his committee, that in the day of the Capital Markets it is perhaps for us, who still have the time to stand and stare, to keep our heads while everybody else is losing theirs.

Noel de Berry,
Noel Alexander Partners,
Wardrobe House, EC4.

Britain versus Sweden: surely Keynes was not right after all?

From Mr G. Stern.

Sir,—Your table of European car production (April 22) shows that Volvo have overtaken Rover (formerly BL etc). It is interesting that Sweden has the world's highest wages, highest spending on welfare per person both absolutely and as a percentage of GDP, the greatest security amounting to making work voluntary, and the lowest unemployment rate among major countries.

Britain on the other hand has one of the highest unemployment rates, the lowest welfare spending with lowest benefit rates and the least security of any kind in north-western Europe. Surely, according to today's accepted doctrines, our cars ought to be far better and cheaper because our labour force is not rotted by welfarism and is kept keen by long dole queues, *while our managers are* not demoralised by high taxes.

If Thatcherism works at all (more accurately one should call the doctrine IMF-ism because it dates politically from the 1977 surrender to the IMF), it should work in a contest of Britain *versus* Sweden. What has gone wrong? Surely Keynes was not right after all?

George Stern,
6 Eton Court,
Shepherds Hill, N6.

Why home banking could be a costly gimmick

From Mr E. V. Marks

Sir,—I was interested to read the article by Hugo Dixon (April 15) regarding the TSB offer of Home Banking. I do wonder whether the dangers of this system are fully appreciated.

If a cheque book is lost or stolen it is possible to place a 'stop' against payment, and the more impecunious find that the debit to the account may not take place for three/five days. Forgery is unfortunately not unknown but the forged signature on the cheque can be produced in evidence if the forger can be traced.

Now once a transaction has been accepted by TSB through the telephone the customer's *order can be acted on* immediately.

Of course, the safeguard of a suitable code number will be required before TSB accepts the instruction, and — as with cheque cards — warnings will be issued on the necessity to keep this number secret. Cheque cards can now commonly be used to withdraw money from autobanks, but a limit of £50 is imposed.

Now the "pin" or other code number is not always kept secret, and in the case of joint accounts and where marital differences exist it is bound to be relatively easy for one party to find out the appropriate code. The balance can then be found and transactions effected perhaps some hours or days before the other party to the account is aware that money has been paid away. A bank will be sure to resist any alleged false instructions, but how can a machine — except at great expense — be instructed to carry out orders without double checking: or perhaps ringing back on the telephone: If the other party answers the telephone (the actual account holder being away) this double check may do no good at all.

Am I also wrong to suggest therefore that this home banking is by way of a gimmick, and a gimmick that could be very costly indeed to an account holder, and perhaps a bonanza for lawyers.

E. V. Marks FCIS.
65, Greenhayes Avenue,
Banstead, Surrey.

Drive for standards

From Mr J. Poston

Sir,—A 'phone card compatible throughout Europe would also be a powerful signal on European collaboration and would be very useful — not least to businessmen waiting for the pan-European cellular car-phone network.

J. Poston,
30 Harcourt Terrace, SW10

Waddington pays £17m for Johnsen & Jorgensen

BY GRAHAM DELLER

John Waddington, printing, packaging and games group, is returning to the acquisition trail through an agreed £17m offer for Johnsen & Jorgensen Packaging, USM-quoted manufacturer of plastic and glass containers.

The acquisition comes barely two months since Waddington snapped up Glasgow-based colour printers Gilmour and Dean for £10.22m.

Waddington, still best known for its Monopoly board game despite the planned expansion of its packaging, plastics and specialist printing activities, is offering 14 new shares for every 13 Johnsen. There is a cash alternative of 220p per share to be satisfied out of existing resources. Waddington already has irrevocable undertakings to accept the offer in respect of 57.5 per cent of Johnsen's capital.

Yesterday, Johnsen's shares rose 22p to 237p, while Waddington shares were up 8p at 243p.

Johnsen's containers are primarily used in the pharmaceutical, household and consumer products fields. Mr Dick Searle, managing director, who is to remain with the company, said: "Waddingtons' financial strength will enable us to take advantage of exciting growth prospects in both the UK and the US."

Mr Victor Watson, Waddington chairman, said: "Johnsen & Jorgensen has an excellent reputation with particular strengths in the growing market for tamper-evident and child-resistant closures and containers." It would complement and extend existing strengths in packaging technology," he added

Mr Watson expected the acquisition to dilute Waddingtons' earnings by about 5 per cent but would have great long-term benefits.

MSCC small holders uniting

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

Manchester Ship Canal Company's 2,500 small shareholders have been approached to join a protection association which hopes to present a united front in its dealings with Highams, the privately owned Lancashire textile group which won the takeover battle for MSCC in February.

The association is being organised by Mr Grahame Elliott, a leading Manchester chartered accountant, who was one of the non-executive shareholder directors removed by Highams when the takeover succeeded.

The association will be run from the offices of his firm, Elliott Templeton Sankey. The membership fee will be £5 a head to cover postage and stationery costs.

The voting structure of MSCC is tapered to favour small shareholders, so that although Highams—owned by property developer Mr John Whittaker—has 58 per cent of the shares, these are worth only 44 per cent of the votes. At the same time, Manchester City Council, which has a £5m debenture in the company, is entitled by law to a boardroom majority of one.

Highams eventually won control of the company by breaking down its holding among thousands of nominees to increase voting power and then using their proxies at the AGM. It could follow this procedure again but smaller shareholders believe that it would be expensive and time-consuming if this process had to be gone through often.

They also believe that if they band together they exert greater influence. Together they would command 31 per cent of the votes if Highams were to vote its holdings as a block. The institutions have 25 per cent.

The protection association will liaise closely with the institutional shareholders to co-ordinate negotiations and frustrate any "divide and rule" approach by Highams. This may signal a willingness by minority shareholders to negotiate the sale of their holdings at a higher price than the £7 offer for ordinary shares in the takeover bid.

The MSC's defending directors put down a marker in this area in the last annual report, arguing that the company's improving performance made the ordinary shares worth at least £9 each.

Mr Elliott is hoping to recruit at least 500 small shareholders (under 10,000 shares each) into the association, which is being supported actively by Mr Donald Redford, the former MSCC chairman who is still the company's non-executive president.

Associated Book £11m rights

BY RICHARD TOMKINS

Associated Book Publishers, the publishing group which includes among its imprints Methuen and Routledge & Keegan Paul, is to raise £11m net through a one-for-five rights issue at 240p a share.

The issue of 4.78m shares is underwritten by Kleinwort Benson. It will effectively wipe out group borrowings of £9.65m and provide working capital for expansion.

ABP has spent heavily in recent years. The acquisition of Routledge & Keegan Paul, Croom Helm and Pitkin Pictorials in 1985 and 1986 cost £10.3m and the development of its Andover distribution centre, completed last year, cost £2.1m.

Meanwhile the group has stepped up its investment in academic, scientific, technical, medical and legal publishing, and its rates of commissioning have increased.

Last month the company announced an increase in trading profits fro m£7.7m to £8.7m for the year to last December but net interest payable of £855,000, compared with interest receivable of £37,000 in the comparable period, cut the pre-tax figure to £8.1m against £7.8m the previous time.

ABP said yesterday that it was too early to make any profits forecast for the current year but trading was encouraging and sales in the first quarter were ahead of last year's. It looked forward to a successful year reflecting the full integration of Routledge & Keegan Paul and first-time contributions from last year's acquisitions.

The company forecast a full year dividend at least equal to last year's 6p. The shares shed 14p to 261p.

Marler takes control of Ecobric

By Philip Coggan

Marler Estates, the property company that has incurred the wrath of London's football supporters, yesterday announced details of its takeover of Ecobric, the demolition company, whose shares have been suspended since November 20.

Marler will acquire a 64 per cent stake in Ecobric by subscribing £875,000 for 17.5m new shares at an average price of 5.8p, compared with the pre-suspension price of 20p. It will also be given an option to subscribe for 2.6m new ordinary shares at 5p each and will underwrite the rights element of a £3.08m issue of convertible unsecured loan stock.

A little more than £644,000 of the loan stock, which carries a coupon of 12.75 per cent, will be taken up by PK English Trust, through coversion of an existing call loan. The balance of the stock will be offered to shareholders on the basis of £1 nominal of loan stock for every four ordinary or deferred shares held.

Ecobric had attempted an earlier rescue package in October via a one-for-one rights issues. Mr Michael Eaton, briefly spokesman for the National Coal Board during the miners' strike, was appointed as chief executive but has now resigned.

Marler said yesterday that there was some overlap between its activities and those of Ecobric. Its principal reason for investing was that diversification would increase returns to shareholders.

Mr David Bulstrode, Marler chairman, has already said that Ecobric's tax losses could be exploited

Ecobric also announced that it made a small pre-tax loss of £39,000 in the year to January 31 1987, compared with a profit of £165,000 in the previous year. Problems at the group's demolition subsidiary, L. E. Jones, brought that company and the group close to receivership and there is an extraordinary item of £2.1m, largely relating to Jones.

Griffin Nash Broad, auditors, have qualified the accounts on a going-concern basis, subject to approval by shareholders of the refinancing proposals.

Chrysalis

As a result of a typographical error, an FT company comment yesterday suggested that Chrysalis might see a £7m contribution to profits this year from Max Headroom. The figure should have been £700.000.

Rolls-Royce share price hangs on market's mood

BY RICHARD TOMKINS

WITH THREE days to go before a price is set on the Government's offer for sale of shares in Rolls-Royce, most stockbrokers' analysts are forecasting a figure in the 150p-160p range.

The advisers to the Government and Rolls-Royce will meet to fix the price on Monday afternoon. This will enable them to take into account the mood of both the London and New York stock markets after the weekend.

Analysts think Rolls-Royce's likely profits in the current year would justify a price of about 160p if the company were compared with British Aerospace, but the need to provide an attractive dividend yield could push it down towards 150p.

As soon as the price has been agreed on Monday, the underwriting will begin. Costs to the Government will be kept as low as possible by adopting the competitive tender method already tested in the British Gas and British Airways flotation. Then, the commission rates to the City's leading merchant banks were held down to 0.175 per cent.

There will be a two-tier offering of the shares. Some will be placed with institutional investors and the rest will be offered to the general public. A clawback provision will allow shares to be taken away from the institutions and included in the public offering if demand is strong.

Commission rates for the sub-underwriting, which will follow immediately after the underwriting, have already been fixed at a record low. The institutional investors which take up firm placing shares will receive a commission of 0.25 per cent compared with 0.5 per cent for British Gas and British Airways.

"The Treasury's view is that 0.5 per cent is too much to pay institutions to take up stock which they want to buy anyway. However, the sub-underwriting commission for the shares in the public offering of shares will be the usual 1.25 per cent.

Williams lifts its Norcros holding

BY NIKKI TAIT

Williams Holdings, the acquisitive industrial conglomerate whose £571m bid for Norcros closes next Wednesday, yesterday picked up just under 1m shares in its target.

This is the first major purchase by Williams, but its stake has only increased by less than 1 per cent to 3.26 per cent. The shares were bought by Williams' brokers, Barclays de Zoete Wedd, at prices ranging from 404p to 414p.

Yesterday, Williams' advisers, Schroders, said that there had not been a lot of stock around, and suggested that the new Takeover Panel disclosure rules might be deterring institutional sellers.

However, the Williams camp was reading this reluctance to sell as an indication that shareholders intend to accept its paper terms: although yesterday's buying pushed the Norcros price 11p higher to 415p, these—with Williams gaining 6p to 763p—are worth 442.5p.

Norcros saw matters differently.

"The fact they are desperately trying to buy shows they lack all confidence," claimed Mr Terry Simpson, Norcros' chief executive.

Berisford stake may tempt Tate

BY GRAHAM DELLER

Tate and Lyle the cane sugar-refiner, yesterday declined to comment on speculation that it might wish to buy all or part of the 23.74 per cent stake held in S. & W. Berisford by Ferruzzi, the privately owned Italian agribusiness group.

The speculation was prompted by Thursday's announcement that Tate had given an undertaking to the Department of Trade not to increase its present near-15 per cent stake in Berisford — which owns beet refiner British Sugar — to more than 30 per cent. This figure was mutually agreed between Tate and the DTI.

Ferruzzi has been instructed to reduce its stake in Berisford to below 15 per cent within two years. It declined to comment on rumours that it was set to dispose of its entire holding in the near future, but Tate intimated yesterday that if Berisford stock became available it would have to look at it.

The Department of Trade said that Tate and Lyle's undertaking did not affect the Secretary of State's powers to refer any further purchase of Berisford shares by Tate to the Monopolies and Mergers Commission, which in February blocked rival bids by both Tate and Ferruzzi for British Sugar.

Tate and Lyle pointed out Takeover Panel regulations which normally require a company acquiring more than 30 per cent of its target to launch a full bid for the remaining equity.

Allebone surges to £628,000

Allebone and Sons, the Northamptonshire-based maker and retailer of shoes, boosted its pre-tax profits substantially in the year to January 31 1987. On turnover up from £17.61m to £18.44m, profits rose from £156,000 to £628,000, ahead of the £600.000 forecast in February.

Earlier this month Allebone completed its £11m acquisition of Focus Shoes from Ward White.

Mr John Tilbrook, deputy chairman, said that the past year had been momentous and group and its prospects had been transformed.

The process of integrating Focus Shoes was already well under way and he expected to see more rationalisation within the footwear retailing industry.

Tax charges rose to £340,000 (£71,000) and extraordinary costs consisting mainly of expenses incurred in the closure of manufacturing activity amounted to £612,000 (nil).

Earnings per share increased to 2.2p (0.1p) and the proposed final dividend is 1.25p (1.25p), making an unchanged total of 1.5p for the year.

Aberdeen Steak disappoints market

By Ralph Atkins

Shares in Aberdeen Steak House fell 7p to 55p after the publication of results showing a £208,000 fall in pre-tax profits to £605,000 for 1986.

The pre-tax figure was helped, however, by a profit of £265,000 from the sale of two restaurants. Operating profits fell by more than half of £340,000 from £813,000.

Aberdeen Steak Houses, 75 per cent owned by the family of Mr Ali Salih, chairman, joined the USM in August 1985 at 67p per share.

The group has attracted publicity recently after a High Court ruling in March that the company underpaid staff. The Central London Law Centre says it plans further action on behalf of other former Aberdeen employees.

Mr Thomas Kibling, a solicitor at the centre, said he has instructions from more than 100 Aberdeen employees who are claiming compensation for underpayment. "I anticipate the total compensation claim will be in excess of £100,000," he said.

Following March's High Court ruling two non-executive directors and the group's backers, Fiske and Co, resigned.

The two directors said they had received an assurance before the flotation that there was no foundation to complaints by former employees.

Mr Salih said the group had not yet found new brokers but it hoped to make an announcement about a new non-executive director in the next week or two.

He said the group had made provision for the costs of any further legal action but refused to disclose how much

Mr Salih said the full year results showed a recovery after a bad first half caused by a fall in the number of tourists visiting the UK after the Libya bombing raid and the Chernobyl nuclear disaster. In the first half the group reported a pre-tax loss of £229,000.

Earnings per share were 3.2p compared with 3.6p in 1985.

"The company is back on its feet," he said. "The indications are very good for this year."

Turnover in 1986 increased by 16.6 per cent to £10.39m. The tax charge fell from £386,000 to £218,000. A final dividend of 1.2p is proposed, the same as last year.

BP/Standard Oil

BP announced yesterday that it has extended its tender offer for the 45 per cent of Standard Oil that it does not already own from April 28 to May 4.

The extension has been caused by class action being brought by minority shareholders in Standard, which was due to heard on Thursday, but which has been adjourned until April 29.

Perrodo likely to gain control of Petranol

By Lucy Kellaway

Petranol, the UK-quoted oil company with assets in the US, yesterday unveiled more details about a proposed assets-for-shares swap with Perrodo, a private company owned by the French businessman Mr Hubert Perrodo.

The deal, if effected, would result in Perrodo gaining 51 per cent of Petranol, via the acquisition by Petranol of one of Perrodo's subsidiairies. The main assets of the subsidiary company consist of $5m (£3m) in cash and a large stake in a Californian oil-field where a major waterflood project is planned.

Perrodo will also provide funding commitments, expected to be about £10m, to cover the cost of the waterflood project in addition to other developments of Petranol's own oil and gas interests in the US.

Memory ahead

A 48 per cent improvement in pre-tax profits was yesterday announced by Memory Computer, Dublin-based computer maker and distributor, for the half year ending December 1986.

On turnover ahead from I£3.58m to I£3.74m, the pre-tax result came out at I£86,000 (£78,000) against a previous I£58,000.

After a tax charge of £19,000 (£20,000), and a minorities credit of £25,000 (nil), earnings per 10p share came out ahead at 0.23p (0.04p).

Rex Williams on cue with profits up to £204,000

Rex Williams Leisure, maker distributor of pool and snooker tables, chalked up pre-tax profits of £204,000 on turnover of £1.41m in the year to November 30 1986.

Restated figures for the previous year to include the company's July acquisition, Cointrend, as if it had been part of the group for entire year, show profits of £192,000 on turnover of £1.29m.

The loss of several coin-operated pool tables in the second half of last year had not only had a dramatic effect on the trading results for the second half but had impacted on the results to November 1986.

Negotiations were currently in progress with several businesses which the directors think would be complementary to the group. Numerous potential acquisitions had failed to reach fruition last year.

Tax charges took £35,000 (£30,000) and earnings per 5p for the USM-quoted company increased slightly to 1.54p (1.48p). The proposed final dividend is 0.49p (0.49p), making an unchanged 0.91p for the year.

Wordplex rejigs at the top

Wordplex Information Systems, the loss-making office automation group, yesterday announced the introduction of new management and its intention to raise new equity capital.

The group changed its management in March last year, when Mr Harry Mallinson, a joint founder of the company, and two other directors resigned. Although action was taken which improved the company's trading performance, substantial extraordinary rationalisation costs were incurred which eroded the group's capital base and increased gearing to an unacceptably high level.

Wordplex has entered into negotiations with Octagon, a management services group, backed by Close Brothers, the merchant bank and partly owned by Dr Robb Wilmot, formerly managing director of ICL.

Mr Geoff Bristow, managing director of Octagon, will become chief executive of Wordplex which means that Mr John Cross, who became managing director in May 1986, will relinquish his executive responsibilities. An announcement of the details of the capital restructuring and of Wordplex's results for 1986 is expected to be made next month.

BIA beats forecast with £1.6m

British Island Airways, airline and tours operator, has comfortably exceeded its May 1986 prospectus forecast of a pre-tax profit of not less than £1.5m for 1986 with £1.63m compared with £1.17m for 1985.

Turnover for the year was up from £20.76m to £32.11m and after net operating expenses of £30.27m (£19.44m) net operating profits were £1.83m (£1.31m).

Earnings per 10p share, which are quoted on the USM, are up from 6.1p to 7.4p. The dividend is 2p.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres-ponding div	Total for year	Total last year
Allebone	1.25	June 11	1.25	1.5	1.5
British Assets ...sec int	0.58	July 3	0.48	—	2.05
Brit. Island Air	2p‡	May 29	—	2p	—
Clayton, Son	7	—	5.5	9	7
Fleming Universal Inv	0.9	July 28	1.33	1.5	2
InfraRed Assocs	2.15‡¶	June 8	2.15	2.15	2.15
Lanca	0.55	July 30	0.38	0.55	0.38
Liberty	7.2	June 1	6	9	7.8
Molynx Holdings	1.5	—	1.5	1.5	1.5
Nolton Intl.	0.55	May 29	0.55	—	1.2p
Scottish Metro	1.9	August 14	1.8	—	4.25
Rex Williams	0.49‡	—	0.49	0.91	0.91

Lanca boosted by clothing

Lanca, handbag and clothing distribution group, reported a substantial rise, from £249,000 to £543,000, in pre-tax profits for 1986 with operating margins, up from 5.9 per cent to 9.4 per cent.

In the November interim statement Mr Eric Binns, chairman, told shareholders that, following a jump from £82,000 to £193,000 in profits for the first six month, the second half would show further improvement on the 1985 figures but at a less dramatic level.

Mr Binns confirmed that the results reflected the organic development of the clothing division which made a significant impact on turnover and profits. Prospects for the current year were encouraging though growth in the existing businesses would be at a more modest level.

The company recently announced that it was acquiring Clarke & Spears Group, a distributor of house plants to multiple stores such as Marks and Spencer, for £2.9m.

Turnover in 1986 rose from £3.7m to £5.8m and operating profits from £219,000 to £552,000. Bank interest received was £20,000 (£30,000) and tax amounted to £210,000 (£90,000); after minorities of £39,000 (£3,000) net attributable profits were £294,000 (£156,000) for earnings of 3.34p (1.78p)

The dividend is raised from 0.375p to 0.55p.

City and Westminster Financial owns a 29.9 per cent stake in the company and following the Clarke and Spears deal, Newship Group will own 11.5 per cent.

Wigfalls purchase

Wigfalls, the electrical retail and rental group, has agreed to buy 15 retail outlets, which trade as part of the Connect chain, from Electronic Rentals Group for £1.5m.

ERG will continue to operate Connect shops in Northern Ireland but the group said yesterday that the disposal was part of its programme of rationalisation

Shares in Wigfalls were suspended on Thursday at 206p pending an announcement but suspension will continue until the group makes a further announcement "in due course."

Wardle Storeys

Wardle Storeys, the plastics sheeting and survival equipment group making a hostile bid for Chamberlain Phipps, has bought a further 20,000 shares in the shoe components and adhesives group via an associate company called Precis (547). As a result, Wardle Storeys and associates now own 1.16m shares, or 3.2 per cent

Molynx advances 38% and set for more growth

Molynx Holdings, the Gwent-based maker of closed-circuit TV equipment, boosted pre-tax profits by 38 per cent from £243,000 to £335,000 on turnover up from £2.03m to £2.53m in 1986. At the halfway stage, the company reported profits of £160,000, 63 per cent up on the equivalent figure in 1985.

The directors propose a final dividend of 1.5p (1.5p), making an unchanged total for the year of 1.5p.

The chairman said that Molynx was poised for an exciting period of growth. The balance sheet and financial position was strong, with net cash on deposit. The current year had started quietly, though above budget, and the company had a number of possible acquisitions under review.

The directors said that the company's range of products continued to expand. The cad/cam installation was now fully commissioned and operational, as a result of which several product innovations had been realised.

New products would be launched shortly and these would benefit the company during the second half of the current year. The research and development department had expanded through the introduction of further expertise in microelectronics.

Molynx's current marketing efforts in Europe were being increased and the company expected to achieve greater penetration in this market.

Tax took £121,000 (£11,000) and exceptional items consisting of expenses incurred in relocation and reorganisation amounted to £54,000 (nil). Earnings per share worked through at 6.5p before the exceptional items.

DPP probes 44 over TSB

BY HUGO DIXON

Forty-four members of the public have been reported to the Director of Public Prosecutions and 39 out of the TSB's staff have resigned or been fired over alleged multiple share applications at the time of the group's flotation, Sir John Read, the bank's chairman, said yesterday.

If people were eager to get on to the share register they were not so keen to attend the TSB's first annual general meeting held in Glasgow yesterday.

Only 3,021—according to the official count—of the group's 2.3m shareholders turned up to the vast Scottish Exhibition Centre, which had been prepared to accommodate 15,000.

Those who did attend were treated to something of a show: Vivaldi's Four Seasons welcoming them to the centre's floodlit auditorium; a slick film on the group's services; and a reassuring financial summary from Sir John.

Sir John would not be drawn on what he would do with the £1.3bn raised in last September's flotation, £680m of which is not due to come in until September.

All he would say was: "I am sure you will agree that we should not be rushed into precipitate action."

The shareholders, who were mostly grey-haired, long time customers of the bank, small investors with little previous stock market experience and Scottish.

Failing any major announcements, the TSB contented itself with calling for a simplification of annual reports. It had cost £1.8m to send reports to all its shareholders and was trying to persuade the Government to change the law so it could send out shorter documents without the technical footnotes. Longer documents would be available to anybody who specifically requested them.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price	+ or −	Net Div.	Times Cov'd	Gross Yield	P.E. Ratio
§150	F.P.	15/4	180	160	Admiral Comp'ting 5p	173	......	u2.13	3.6	1.7	22.6
§180	F.P.	15/5	201	189	Airtours10p	191	......	R5.4	2.5	3.9	13.9
§215	F.P.	—	380	272	Barbour Index	360	......	R4.0	3.1	1.5	29.3
§115	F.P.	20/5	138	128	Bellwinch 10p	136	......	R3.2	3.7	3.1	11.4
§115	F.P.	8/5	143	133	Brooks Service Group	140	−3	L3.8	2.2	3.6	15.3
§80	F.P.	8/5	170	150	‡Burford Group	165	......	u1.2	3.2	1.0	42.5
130	F.P.	8/5	135	129	Cambridge Instru. 5p	130	+1	R0.7	8.8	0.7	14.8
§200	F.P.	11/5	226	211	Castle Comms. 5p	215	......	R7.0	2.2	4.5	13.7
115	F.P.	—	115	107	Church (Charles) 5p	107½	+½	R2.75	3.10	3.4	12.8
§130	F.P.	—	153	145	Cooper (Alan) 10p	150	+4	14.0	2.5	3.6	15.1
§125	F.P.	29/5	153	143	Coutell Group 10p	150	......	W3.19	3.1	2.9	15.4
§156	F.P.	15/5	195	179	‡Epwin Group 10p	193	−2	L4.0	2.6	2.8	18.9
§120	F.P.	29/5	181	160	‡Filofax 5p	175	−4	u2.7	2.8	2.0	23.5
§125	F.P.	—	137	128	‡Forward Group 5p	128	......	u2.2	3.2	2.3	17.1
§250	F.P.	8/6	375	315	Hobsons Publishing 5p	375	......	u6.25	2.2	2.3	27.7
§112	F.P.	1/5	129	123	‡Honeysuckle Gr'p 2p	123	−2	R4.1	2.5	4.6	12.0
‖ ‖	F.P.	—	£12⅜	£11¼	Huntingdon Int. 5p	£12¼	......	—	—	—	10.8
§120	F.P.	20/4	211	185	Mallett 5p	183	......	u3.0	3.1	2.2	19.6
§120	F.P.	29/5	127	123	‡March Group 5p	124	......	L4.2	2.4	4.5	12.3
§114	F.P.	8/5	127	114	Melville Street Inv.	125	......	1.4	1.2	1.5	—
—	—	—	35½	25	Do. Warrants	35½	+1½	—	—	—	—
225	F.P.	24/4	342	225	Mercury Asset Mgmt. 5p	308	......	R5.0	4.0	2.2	15.4
§95	F.P.	—	135	108	‡Miss 5p	128	......	R2.0	3.7	2.1	17.3
§106	F.P.	—	114	113	‡Orchid Technology‖	114	+3	R02.57c	5.2	1.4	13.2
§180	F.P.	1/5	198	180	Perpetual 10p	193	......	u2.5	4.5	1.8	16.6
120	F.P.	26/3	155	127	‡Prism Leisure Corp 10p	135	−1	R4.26	2.25	4.3	12.7
§95	F.P.	10/4	102	97	RCO 10p	99	......	L3.91	2.1	5.4	12.0
§55	F.P.	—	72	64	‡RKF Group 10p	72	+3	u2.19	2.4	4.2	12.5
§20	F.P	3/4	46	27	‡Regina Health 2p	40	......	0.28	4.1	1.0	34.5
§140	F.P.	1/5	181	163	‡Reliance Sec. Group 5p	165	......	b4.5	2.5	3.7	14.8
§100	F.P.	30/4	101	99	Renaissance Hldgs.	99	......	—	—	—	—
—	F.P.	30/4	42	25	Do. Warrants	41½	......	—	—	—	—
§100	F.P.	7/4	152	120	‡Sanders & Sidney 5p	143	......	R4.26	2.0	4.1	16.8
210	F.P.	24/4	270	236	Scandinavian Bk. Units	255	......	u8.0	2.5	4.3	10.7
§135	F.P	—	183	148	‡Thornton (G.W.) 5p	173	−1	L3.75	3.80	3.1	12.2
§140	F.P.	15/5	181	171	Waterglade Intl. 5p	178	+3	R3.25	3.5	2.4	14.7
130	F.P.	16/3	146	134½	Wilson Bowden 10p	136	......	13.4	3.0	3.4	13.3
§144	F.P.	—	191	170	‡Wood (J.D.) & Co.10p.	175	......	R2.5	3.6	1.9	19.4
§120	F.P.	29/4	192	145	‡Wyevale Gdn. Cen. 50p	194	......	u2.63	2.8	1.8	26.3
§133	F.P.	22/5	148	140	YRM 10p	146	+1	R4.41	3.5	2.2	17.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price £	+ or −
§98.929	F.P.	29/5	101	95	Asda Prop.10⅝% 1st Mort.Deb. 2011	99	+½
‖	£30	3/6	49	38	DixonsGrpNon-Int-brng.Cv.Uc.Ln(£1)	42	+½
—	F.P.	—	129p	112p	Heywood Williams Cum. Cnv. Red. Prf	129p	+2
§100.156	£30	—	30A	30¼	Land Securities New 10% 1st Mt Db '25	30¼	......
—	F.P.	—	100¼	100	Nationwide 9⅞%Bds.11/4/88	100	......
—	£25	—	25	22¼	Do. 5⅞% I-L Ln 2021	22¼	......
‖	Nil	30/6	1⅞pm	¼pm	Second Mkt. Inv. 3½% Cnv Uns Ln '94	¼pm	......
§98.819	£20	11/9	24⅛	18¾	TR City of Lon. Tst. 10¼% Deb 2020	21½	+½
100.179	F.P.	24/6	102	98	Town Estates 10¼% 1st Mort. Deb. 2011/16	99½	......
8.25	Nil	—	85pm	75pm	Do New 7½% Cnv. Uns. Ln. 2014	85pm	......
§99.016	£25	29/5	26¼	25⅛	Town Centre Secs. 10⅞% 1st Mort.Deb 2021	26¼	+¼
—	£30	9/10	31⅞	30	Tribune Inv. Tst. 9⅞% Deb 2012	31½	+⅛
§98.09	£25	—	26¼	25¾	Vaux 9⅞% Deb. 2015	26¼	......

"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price p	+ or −
11	Nil	—	9½pm	8pm	Astra Ind'l. 5p	8pm	−1½
170	Nil	—	9pm	3pm	Caparo Ind. 20p	9pm	+5
320	Nil	—	38pm	36pm	DPCE 5p	38pm	......
80	Nil	—	26pm	21pm	Micro Business Systems 5p	26pm	......
5	Nil	29/5	40pm	29pm	‡New England Props. 5p	35pm	+12
60	Nil	3/6	4½pm	1½pm	Senior Eng. 10p	3pm	−½
385	Nil	—	95pm	90pm	Speyhawk	95pm	+5
157	Nil	—	12pm	7pm	Weir Group	11½pm	+½

Renunciation date usually last day for dealing free of stamp duty. a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. F Dividend and yield based on prospectus or other official estimates for 1986/7. H Dividend and Yield based on prospectus or other official estimates for 1987. L Estimated annualised dividend, cover and p/e based on latest annual earnings. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma Figures † Indicated dividend; cover relates to previous dividend; p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ‡ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ‖ § Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment price. ⊕ Unlisted securities market. †† Official London listing. ‡‡ Including warrants entitlement.

INTL. COMPANIES and FINANCE

Credit Commercial price tag fixed at FFr 4.4bn

BY PAUL BETTS IN PARIS

THE FRENCH Government fixed a price of FFr 107 a share yesterday for the privatisation of Credit Commercial de France (CCF), valuing the bank at about FFr 4.4bn ($730m).

Demand for CCF shares is expected to be extremely heavy when the shares are placed on offer on Monday. The issue will be open until May 7, closing four days before the flotation of Compagnie Generale d'Electricite (CGE), the telecommunications and heavy engineering group which is next in the privatisation queue.

The Government also gave details of the group of core shareholders which will acquire 30 per cent of CCF. These include CGE with 4.5 per cent, the Lafarge-Coppee cement group with 3.9 per cent, the Mutuelles Generales de France and the Mutuelle du Batiment et Travaux Publiques with 3.8 per cent each, Rhône-Poulenc with 3 per cent, the Thomson electronics group with 3 per cent, the Axa insurance group with 3 per cent, the Galeries Lafayette department store group with 2.5 per cent and *Kreditbank of Belgium* with 2.5 per cent.

The inclusion of Kreditbank among the core shareholders means that only 17.5 per cent of CCF will be placed with foreign investors in view of the Government's 20 per cent ceiling for foreign shareholdings.

The huge public and institutional appetite for shares in companies being sold into the private sector by the Government has encouraged the French authorities to accelerate its privatsation programme.

Havas, the advertising and media group, will probably follow quickly on the heels of the CGE float while Societe Generale, the third largest French commercial bank, could be put into private hands early in the summer.

Earlier this week the Government announced the decision to sell CGCT, the telecommunications group, to a consortium of Ericsson of Sweden and Matra, the French electronics group.

The CGE flotation will involve a simultaneous issue of fresh equity by the company which is set to raise between FFr 5bn and FFr 7bn, a record for a French share offering.

Aetna Life lifts premium income

BY OUR NEW YORK STAFF

AETNA LIFE and Casualty, the largest US general insurance company, earned $221m or $1.91 a share in the first quarter compared with $250m or $2.20 a year ago. However, both quarters' results contained substantial realised capital gains and tax-related extraordinary items.

Aetna's premium income was 5.6 per cent up at $3.8bn and total revenues, including investment income, were 4.9 per cent higher at $5.13bn.

Operating earnings in the latest quarter were $182m or $1.56 a share, compared with $141m or $1.21, but this comparison was also affected by tax changes, specifically a $15m net benefit in the 1987 figure due to provisions of last year's Tax Reform Act.

While most of the company's insurance divisions recorded sharply higher earnings, performance deteriorated in the large employee benefits division, Aetna's most important single unit. Employee benefit profits were 13 per cent down at $71.3m as a result of rising medical costs and losses related to Aetna's direct ventures into the health care business.

Among the general insurance lines, commercial business scored the biggest gain, with profits of $58m, up 110 per cent on the $26.3m a year ago. The operating ratio for the commercial lines improved by 3.6 points to 109.1 between the first quarters of 1986 and 1987.

Operating profits from personal insurance increased by 36 per cent to $46.1m and the combined ratio improved by 3.6 points to 108.1. Reinsurance profits rose by 75 per cent to $27.8m and the combined ratio improved by 3.2 points to 97.5.

Matra shows strong advance

BY OUR PARIS STAFF

MATRA, the French defence and electronics group which has just gained control of the French CGCT telecommunications concern with Ericsson of Sweden, staged a strong advance in net consolidated group earnings last year.

Net group earnings (excluding minority interests) totalled FFr 153m ($25.4m) compared with earnings of FFr 46m in 1985.

Group sales were virtually flat at FFr 14.45bn compared with FFr 14.87bn previously. But the state-controlled group said that the sales comparison was not significant since Matra shed and acquired a number of assets in the course of last year. On a comparable basis, sales would have shown a 9 per cent rise, the company indicated.

The net consolidated group earnings for last year were higher than expected. Matra had earlier anticipated profits of about FFr 130m.

The Matra parent company, however, showed only a slight increase in net earnings to FFr 110m from FFr 105m, on flat sales of FFr 5.97bn reflecting an 8 per cent fall in military billings. New bookings also fell to FFr 4.88bn for the parent company, from FFr 8.83bn the year before, reflecting the decline in military business.

Matra expects group and parent company results to show new advances this year. The 1986 net earnings included a FFr 146m exceptional loss compared with a much bigger exceptional loss of FFr 246m in 1985 to cover restructuring and other financial provisions.

Fresh bid for Duffour et Igon

BY OUR PARIS CORRESPONDENT

THE TAKEOVER battle for Duffour et Igon, the French industrial gases group, intensified yesterday with a fresh bid from Linde of West Germany topping an offer by Aga of Sweden made earlier this week.

Linde has offered FFr 3,750 ($620) a share, compared with the FFr 3,500 per share offered by Aga. The Linde offer puts a value of about FFr 477m on the group at the centre of an international bidding battle.

The bidding was originally launched by Union Carbide of the US which offered FFr 2,100 per share for Duffour. Subsequently, Carburos Metalicos, the Spanish gas producer in which Air Products of the US owns a minority stake, increased the bidding with an offer of FFr 2,205 a share. The Spanish group already owns 15 per cent of Duffour et Igon and is promised a further 7 per cent from an earlier agreement.

But Linde last week bid FFr 2,585 a share for a minimum of 50 per cent of the company. This was followed by Aga's FFr 2,500 per share bid.

Linde renewed its attack yesterday with the sweetened offer of FFr 3,750 a share. Unlike its first bid, Linde has made its offer unconditional, fixing no minimum or maximum number of shares.

Steady growth at Banco Santander

By Our Madrid Correspondent

BANCO SANTANDER, the first of Spain's major banks to produce consolidated quarterly results, showed a 21 per cent growth in group net profits in the first quarter to Pta 6.26bn ($49.3m).

The bank, which is planning to place shares in New York later this year, said the improvement was largely due to income from commissions and services and its activity on Spanish and international capital markets, which rose by 62 per cent compared with the first quarter of last year.

Mr Emilio Botin, chairman, warned that the Spanish Government's recent deregulation of interest rates on sight and short-term deposits would reduce banks' financial margins and that this would have to be offset by developing new sources of income.

The rise in net earnings was despite a 41 per cent increase in write-offs and provisions.

Net profit at the parent bank rose by a more modest 17 per cent in the quarter to Pta 4.24bn.

Fecsa's financing plans meet strong opposition

BY DAVID WHITE IN MADRID

PROPOSALS BY Fuerzas Electricas de Cataluna (Fecsa), the troubled Spanish electrical utility, to reduce interest rates on more than $1.2bn of foreign bank loans have met strong opposition from international creditors.

The Barcelona-based company, whose shares were suspended 11 week ago, has suggested talks with foreign banks in London on May 6, but some bankers said yesterday they doubted if the meeting would serve a useful purpose.

A meeting with Spanish banks, who have a further Pta 109bn ($860m) in loans to Fecsa outstanding, is planned in Madrid two days later.

In telexes sent to foreign banks, Fecsa proposed to reduce interest on its Pta 158bn-worth of foreign currency borrowings to 1.5 points below London interbank offered rate (Libor) up to the end of 1991. Spanish creditors would receive interest 2 points lower than the Spanish equivalent known as Mibor. For the following two years, there would be a maximum positive spread of ½ points for both foreign and peseta loans, with a "cap" of 12 per cent.

The proposals, part of a long-awaited viability plan drawn up by Fecsa in consultation with the Spanish Government, also involve a rescheduling of debt repayments. The company suspended payments on the principal of its bank debts last month.

The recovery plan includes participation by other public and private sector utilities in boosting Fecsa's capital, the sale of some assets, suspension of dividend payments, and a reduction of interest on bonds, which make up half of the company's overall debt of close to $5bn.

Foreign bank representatives said the company had failed to justify the need for the sacrifices being asked of bank creditors. The Fecsa issue was already holding up new foreign lending to other Spanish utilities.

"Basically, we feel the plan is just on the wrong track," one commented. Another foreign banker in Madrid described the proposals as "ludicrous."

Sharp fall in Exxon's first-quarter earnings

By Anatole Kaletsky in New York

EXXON, the world's largest oil company, suffered a 37 per cent drop in net income between the first quarters of 1986 and 1987.

However, noting that the results a year ago were exceptionally strong, Mr Lawrence Rawl, Exxon's chairman, pointed out the fall in profits was largely due to an average oil price in the latest quarter which was still lower then the year earlier, despite the strengthening of prices during the last few months.

Exxon's total net income last quarter was $1.07bn or $1.50 a share, compared with $1.71bn or $2.35 the year before, on revenues down 13 per cent at $19.44bn. The latest results were slightly boosted by a restructuring gain of $26m from the divestment of certain overseas properties, while the year-earlier figure had been reduced by a $235m charge.

The biggest deterioration came in refining and marketing operations. In the US these showed a $38m loss, compared with last year's $160m profit. Outside the US refining and marketing profits were $366m down at $74m.

Refining had been exceptionally profitable early last year because crude prices were falling faster than product prices.

Earnings from oil exploration and production were also significantly lower, at $297m in the US and $662m abroad. These figures were respectively 2 per cent and 14 per cent down on the year earlier levels. The coals and minerals business showed a loss of $11m, compared with a profit of $2m last year.

Other factors in Exxon's profits decline were financing charges and special corporate costs. These rose by 75 per cent to $186m, partly as a result of increased incentive compensation associated with the sharp rise in the company's share price.

The one bright spot in the earnings picture was provided by the chemicals business, where profits jumped 62 per cent to $186m.

Exxon's worldwide exploration and capital expenditures plummeted from $2.19bn a year ago to $986m in the latest quarter, but the company said the comparison was misleading because of peak spending levels last year on several projects and slow start-ups on others this year.

Capital spending would rise during the rest of 1987 to reach the planned level of around $6.5bn for the full year, the company said.

Hudson's Bay sells oil and gas interests

By Bernard Simon in Toronto

HUDSON'S BAY Company, the debt-burdened Canadian retailing and property group, is to sell its oil and gas interests to Westcoast Transmission, a Vancouver-based gas pipeline operator.

Westcoast has agreed to buy Hudson's Bay's 7.5m shares in Canadian Roxy Petroleum, equal to 54 per cent of the total, for C$82.7m (US$62.1m). Westcoast said it has no plans to extend an offer to minority shareholders.

The sale is part of a determined effort by Hudson's Bay, North America's oldest commercial company, to dispose of assets not related to its department store and real estate business.

In the past year, the company has moved from its origins by selling its British and Canadian fur sales operations and its Winnipeg-based Northern Stores division, formerly the hub of its fur-trading activities. It also intends to spin off its wholesale operations.

Hudson's Bay had debts of C$2.3bn at January 31, with interest payments last year amounting to more than three-quarters of operating profit.

Canadian Roxy has reserves of 13.9m barrels of oil and natural gas liquids and 137bn cu ft of natural gas. It also owns exploration rights to 366,000 acres of land, mainly in Alberta.

Norsk Hydro increases income by 18%

BY SARA WEBB IN STOCKHOLM

NORSK HYDRO, Norway's biggest publicly-quoted company, has registered an 18 per cent increase in net income for the first quarter from NKr 351m to NKr 413m ($61.3m). Group turnover increased by 5 per cent to NKr 14.3bn.

The improvement was due to a better performance in the oil and gas, light metals, and petrochemicals divisions compared with the first quarter of 1986, and was heavily influenced by foreign exchange gains (mainly on the group's US dollar loans) which amounted to NKr 623m.

However, Norsk Hydro warned that the outlook for 1987 was still very uncertain, and dependent upon developments in the oil and international fertiliser markets, though the group's restructuring programme should make some impact.

The agriculture division (which is chiefly fertiliser business) showed a poor performance compared with the first quarter of 1986, with operating income falling from NKr 280m to NKr 2m, chiefly because of late demand for products and the high level of costs in Norway. This, however, is an improvement on the last quarter of 1986 when agriculture showed a loss of NKr 329m.

Norsk Hydro said that the fertiliser market showed some signs of returning to normality during 1987, as nitrogen fertiliser prices started to rise.

The group's oil and gas division showed an increase in operating income, from NKr 676m to NKr 790m, and oil and gas production rose. Exploration and other costs have been reduced. However, Norsk Hydro warned that 1987 earnings for oil and gas will be adversely affected by lower gas prices compared with 1986, though this should be offset by lower costs.

The light metal division (including electric power) increased operating income from NKr 249m to NKr 290m.

Petrochemicals turned from an operating loss of NKr 35m in the first quarter of 1986 to an operating income of NKr 140m in 1987, helped by higher output

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1986/87 High	1986/87 Low
METALS					
Aluminium					
Free Market c.i.f.	$1375/395	-75	$1300/1320	$1485/1515	$1150/1175
Antimony					
Free Market 99.6%	$2400/2450	+100	$2750/2800	$2750/2780	$2250/2300
Copper-Cash Grade A	£870.5	-54.5	£931.5	£1028.5	£852.25
3 months Grade A	£849.5	-32	£946.5	£1059.25	£873.5
Gold per oz	$455	+25.75	$345	$455	$387.5
Lead Cash	£357.5	+0.5	£240.5	£376.5	£223.5
3 months	£327.25	+1.5	£249	£337.5	£241.25
Nickel					
Free market	177.5/187.5c	-0.5	182/202c	196/162c	156/177c
Palladium	$148.50	+10.2	$111.00	$151.00	$95.25
Platinum per oz	$626.50	+44.5	$423.50	$675.75	$548.50
Quicksilver (76 lbs)	$260/275	+22.5	$220/230	$260/275	$151/12
Silver per oz	564.45p	+112.85	331.05p	564.45p	317.70p
3 months per oz	567.10p	+115.10	338.85p	567.10p	325.60p
Tin					
Free market	£4,162/192	-50	‡	[illegible]	£3,489/488
Tungsten ind	$50.94	+8.57	$62.07	$59.74	$41.44
Wolfram (22.04 lb)	$50/56	—	$48/55	$56/58	$32/42
Zinc cash	£480.5	+23.25	£432.75	£553.5	£409
3 months	£475.5	+19.75	£443.5	£591.75	£419.25
Producers	$790	—	$660/700	$920	$550/670
GRAINS					
Barley Futures Sept	£99.00	-0.45	£97.90	£118.50	£96.56
Maize French	£144.00	+0.75	£143.75	£154.00	£130.00
WHEAT Futures July	£123.95	+0.65	£118.95	£125.50	£98.50
SPICES					
Cloves	$3,300	—	$4500	$4,850	$3,200
Pepper white	$5,400	+350	$6500	$6,400	$4,600
black	$4,650	+350	$3650	$4,800	$3,600
OILS					
Coconut (Philippines)	$395x	-12.5	$247.5	$470	$200
Palm Malayan	$342.5v		$245	$405	$197
SEEDS					
Copra (Philippines)	$270	+10	$170	$300	$140
Soyabeans (U.S.)	$143y	+3	$151	$229.5	$135.5
OTHER COMMODITIES					
Cocoa Futures July	£1320.5	-15	£1534	£1,804.5	£1,264.5
Coffee Futures July	£1382.5	+66.5	£2519	£3,007.5	£1,244
Cotton Outlook A Index	67.85c	+1.10	47.50c	67.85c	36.35c
Gas Oil Fut. May	$147.5	+4.75	$151.25	$232.75	$90.75
Jute LJA BWC grade	$320	+20	$290	$325	$215
Rubber kilo	62.00p	+0.5	66p	68p	54p
Sisal No. 3L	$610	—	$695	$625	$590
Sugar (Raw)	$166.5u	+8.5	$199.5	$222.5	$115
Tea (quality) kilo	‡	—	196p	202p	170p
(low med) kilo	‡	—	106p	136p	75p
Wooltops 64s Super	471p kilo	-4	422p kilo	485p kilo	387p kilo

‡ Unquoted. (g) Madagascar. (y) May. (v) July. (x) April-May. (u) May-June. (w) June-Aug.

LONDON MARKETS

ALUMINIUM

Official closing (am): Cash 827-8 (817-9), three months 787.5-8 (782-3), settlement 828 (819). Final Kerb close: 790-90.5.

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	828-9	+9.5	828
3 months	788-9	-1	790.5/787

Turnover: 34,100 tonnes.

COPPER

Official closing (am): Cash 869-9.5 (894-5), three months 846.5-7 (871.5-2), settlement 869.5 (895). Final Kerb close: 848-50.

Grade A	Unoffic'l close £ per tonne	+ or —	High/Low
Cash	870-1	-7	871/869
3 months	849-50	-2.75	856/846

Official closing (am): Cash 836-7 (857-7.5), three months 830-1 (849.5-50.5), settlement 837 (857.5).

Standard			
Cash	835-40	-14	—
3 months	830-5	-11	831

US producer prices 64.15-69.625 cents per pound.
Total turnover: 63,750 tonnes.

LEAD

Official closing (am): Cash 352.5-3 (358-9), three months 324-5 (327.5-8), settlement 353 (359). Final Kerb close: 325-6.

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	357-8	+0.5	353
3 months	327-75	-0.25	327/326

Turnover: 6,575 tonnes. US spot: 24-29 cents per pound.

NICKEL

Official closing (am): Cash 2365-70 (2397-400), three months 2390-1 (2416-7), settlement 2370 (2400). Final Kerb close: 2380-5.

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	2365-70	-25	—
3 months	2389-90	-24	2396/2386

Turnover: 1,580 tonnes.

ZINC

Official closing (am): Cash 478-8.5 (474-5), three months 475.5-6 (474.5-5), settlement 478.5 (475). Final Kerb close: 473.5-4.
Turnover: 17,600 tonnes. US Prime Western: 38.50-44 cents per pound.

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	480-1	+9	479/478
3 months	476-7	+5	476/470

TIN

KUALA LUMPUR TIN MARKET: Close 16.67 (16.66) ringgit per kg. Up 0.01 ringgit per kg.

GOLD

Gold rose $12¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $464½-465½, its best level since February 1983. The metal opened at $459¾-460¼ and traded between a high of $467-468 and a low of $458-459½. The firmer trend was mainly a reaction to a strong surge in silver prices although a weaker dollar added to gold's attraction. The metal finished below the day's high on position squaring ahead of the weekend.

GOLD BULLION (fine ounce)		April 24
Close	$464½-465¼	(£280½-281¼)
Opening	$459¾-460¼	(£279½-280)
M'n'g fix	$452.50	(£280.483)
Aft'n'n fix	$462.20	(£279.789)

GOLD AND PLATINUM COINS		
Am Eagle	$478-483	(£288½-291¼)
Mapleleaf	$476¼-479¼	(£287½-289¼)
Kr'g'r'nd	$468-473	(£282½-285½)
½ Krug	$242-243	(£146-146¾)
¼ Krug	$122½-123¼	(£74-74½)
Angel	$473-476	(£285½-287¼)
1/10 Angel	$46½-51½	(£28-31)
New Sov.	$109-110	(£65¾-66¼)
Old Sov.	$109-110½	(£65¾-66¾)
$ 20 Eagle	$515-565	(£310¼-341)
Noble Plat	$633-646	(£382-389¼)

SILVER

Silver was fixed 45.35p an ounce higher for spot delivery in the London bullion market yesterday at 564.45p. US cent equivalents of the fixing levels were: spot 913.75c, up 83.55c; three-month 928.75c, up 84.9c; six-month 944.4c, up 85.95c; and 12-month 975.05c, up 89.15c. The metal opened at 541-548p (880-900c) and closed at 565-572p (935-945c).

SILVER per troy oz	Bullion Fixing Price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	564.45p	+45.35	565p	+47.5
3 months	567.10p	+46.7	580p	+50.5
6 months	576.80p	+46.4	—	—
12 months	600.50p	+47.7	—	—

LME—Turnover: 6 (18) lots of 10,000 oz.
Three months high-low 570p, final kerb 575-80p.

INDICES

REUTERS

Apr. 24	Apr. 23	M'th ago	Year ago
1560.0	1560.8	1534.7	1792.8

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Apr. 23	Apr. 22	M'th ago	Year ago
Spot	124.13	122.10	—	129.57
Fut	124.85	122.65	—	124.98

(Base: December 31 1931=100)

SOYABEAN MEAL

	Yesterd'ys close £ per tonne	+ or —	Business done
June	116.5-117.5	+0.45	—
August	115.5-116.5	+1.25	116.0
October	115.5-116.5	+1.50	—
Dec	117.0-118.0	+0.35	—
Feb	121.0-122.5	+1.80	—
April	122.0-124.5	+1.50	—
June	122.5-125.5	+0.75	—

Sales: 2 (308) lots of 20 tonnes.

COFFEE

The market reacted to further gains in New York and broke recent highs, prompting a wave of speculative short-covering which absorbed profit-taking as levels traded at seven-week highs. A steady New York market gave London extra momentum, reports Drexel Burnham Lambert.

COFFEE	Yesterday close	+ or —	Business Done
May	1355-1360	+42.0	1365-1330
July	1380-1385	+43.0	1386-1356
Sept	1396-1400	+34.0	1408-1377
Nov	1425-1430	+40.0	1433-1405
Jan	1445-1448	+36.5	1455-1436
Mar	1470-1475	+37.5	1475-1460
May	1495-1500	+55.0	1500

Sales: 7,754 (2,342) lots of 5 tonnes.
ICO indicator prices (US cents per pound) for April 23: Comp daily 1979 107.85 (105.36); 15-day average 102.75 (101.96).

COCOA

Futures closed virtually unchanged at the end of another lightly traded day. Light second-hand physical interest was seen but producers and consumers remained withdrawn, reports Gill and Duffus.

	Yesterday's close £ per tonne	+ or —	Business done
May	1286-1287	-3.0	1289-1285
July	1320-1321	-2.0	1322-1318
Sept	1342-1343	-1.0	1345-1339
Dec	1363-1364	-4.0	1367-1363
March	1388-1389	-3.0	1391-1386
May	1409-1410	-1.0	1411-1408
July	1429-1430	-1.0	1428

Sales: 2,641 (3,579) lots of 10 tonnes.
ICCO indicator prices (SDRs per tonne). Daily price for April 24: 1633.37 (1626.33). 10-day average for April 27: 1615.20 (1609.84).

POTATOES

April continued to ease as weakend weather prospects looked promising but further profit-taking supported levels at around £120.00. May traded nervously in thin volume as the April tenders continued. Thirty lots were tendered taking the total to 324, reports Coley and Harper.

Month	Yesterday's close £ per tonne	Previous close	Business done
May	176.90	176.10	178.80-176.80
Nov	87.00	87.30	87.50-87.00
Feb	96.80	97.50	—
Apr	120.90	121.80	121.70-118.80
May	133.00	133.50	—

Sales: 551 (717) lots of 40 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $170.00 (£103.00), up $3.50 (up £1.00) a tonne for May-June delivery. White sugar $186.50.

No. 6 Contract	Y'sterd'ys close $ per tonne	Previous close	Business done
May	157.2-157.4	147.2-147.4	158.8-153.6
Aug	161.4-162.0	151.8-152.2	163.8-152.8
Oct	165.8-167.6	157.8-157.2	168.8-157.4
Dec	169.5-172.0	160.0-162.0	162.8
Mar	174.2-174.8	165.8-166.2	175.2-165.5
May			
Aug	180.0-183.0	178.0-178.8	—

Sales: 5,059 (5,597) lots of 50 tonnes.
Tate & Lyle delivery price for granulated basis sugar was £207.00 (£206.00) a tonne for export.
International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports.) Prices for April 23: Daily price 6.37 (6.24); 15-day average 6.53 (6.65).

GRAINS

LONDON GRAINS—Wheat: US dark northern spring no 1 15 per cent April/May 93.50, June 93.00, July 93.00 sellers. US no 2 soft red winter June 89.75, July 88.75. French 11½-12 per cent April 143.50. English feed fob April-May 124.00, June 125.00 seller, Sept 103.00-103.50, Oct-Dec 106.00-106.75 buyer-sellers. Maize: US no 3 yellow-French transhipment east coast March 144.00. Barley: English feed fob April 113.00-114.50 buyer-sellers, May 115.00, August 101.00, Sept 103.00, *Oct-Dec* 105.50 sellers.

Mnth	WHEAT Yest'rdy's close	+ or —	BARLEY Yest'rdy's close	+ or —
May	120.50	+0.18	110.15	-0.18
July	123.95	+0.15	—	—
Sep.	100.80	+0.15	99.00	+0.25
Nov.	103.00	+0.10	101.35	+0.25
Jan.	105.90	+0.10	104.00	+0.19
Mar.	108.40	+0.15	106.35	+0.15
May	111.25	+0.05	108.20	+0.10

Business done—Wheat: May 120.70-0.45, July 124.00-3.85, Sept 100.90-0.75, Nov 103.00, Jan 105.95-5.80, March 108.45-8.40, May 111.30. Sales: 230 lots of 100 tonnes. Barley: May 110.25, Sept 99.15, Nov 101.35, Jan 104.10-3.90, March 106.40-6.30, May untraded. Sales: 29 lots of 100 tonnes.

Old crop wheat rallied 30p on a very small first day tender figure but sellers took over from thereon and prices drifted in dull trade to close just off the lows. New crops found consumer and commission house buying against very keen merchant selling interest, reports T. G. Roddick.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 111.00, E Mids 110.90, N East 113.40, Scotland 112.00. The UK monetary coefficient for the week beginning Monday May 4 (based on HGCA calculations using three days' exchange rates) is expected to be unchanged.

GAS OIL FUTURES

Month	Yestrdy's close US$ per tonne	+ or —	Business Done
May	148.75	+1.50	149.50-48.25
June	147.50	+2.25	148.00-46.50
July	147.50	+2.25	148.25-46.50
Aug	149.25	+2.50	149.50-48.50
Sept	150.00	+2.75	150.00-49.50

HEAVY FUEL OIL

Month	Yesterday close US $ per tonne	+ or —	Business Done
May	104.40	+1.50	105.00-104.50
June	100.00	+0.50	100.00

Turnover: 3 (15) lots of 100 tonnes.

US MARKETS

SILVER continued to rise, opening very steady and almost immediately moving to limit-up, reports Drexel Burnham Lambert. In all the precious metals, and in contrast to recent days even in copper futures, continued good commission house, speculative and trade buying kept the markets firm until towards the close when pre-weekend book-squaring and profit-taking pared gains. Crude oil futures also steadied on speculative buying following earlier trade support and short-covering. Again, selling was mostly profit-taking. Cocoa futures *rallied on speculative* buying. Coffee futures continued to rise on short-covering and price-fix buying. Sugar futures rallied on fund and commission house buying following early trade buying but profit-taking pared gains. Cotton futures rallied on good trade buying in spite of continued liquidation of May positions by commission houses. Orange juice fell on commisison house selling. The grains were steady across the board as a result of a combination of technical buying by the commission houses and a lack of hedge selling. The meats weer also strong reflecting a tendency for the futures/cash discount to narrow.

NEW YORK

ALUMINIUM 50,000 lb, cents/lb

	Close	Prev	High	Low
May	64.00	64.00	64.10	63.70
June	62.55	62.55	—	—
July	62.00	61.80	62.00	61.80
Sept	59.00	58.50	—	—
Dec	58.00	58.50	—	—
Jan	58.00	58.50	—	—
March	58.00	58.50	—	—
April	65.00	—	—	—
May	59.00	58.50	—	—

COCOA 10 tonnes, $/tonnes

	Close	Prev	High	Low
May	1995	1990	1996	1982
July	2030	2016	2034	2020
Sept	2053	2040	2057	2042
Dec	2085	2069	2085	2070
March	2113	2098	2113	2112
May	2136	2123	—	—
July	2158	2143	—	—

COFFEE "C" 37,500 lb, cents/lb

	Close	Prev	High	Low
May	118.25	116.40	119.00	116.75
July	119.58	118.12	120.25	118.25
Sept	120.98	119.48	121.40	119.70
Dec	123.43	121.80	124.00	122.25
March	124.75	123.00	126.00	124.50
May	124.25	121.75	127.00	126.00
July	124.25	122.75	128.00	128.00
Sept	124.50	122.75	128.00	128.00

COPPER 25,000 lb, cents/lb

	Close	Prev	High	Low
May	62.10	61.50	62.20	61.30
June	62.05	61.50	—	—
July	62.05	61.50	62.20	61.40
Sept	62.25	61.65	62.35	61.80
Dec	62.65	62.00	62.75	62.00
Jan	62.80	62.15	—	—
March	63.05	62.40	63.15	62.35
May	63.45	62.80	63.65	62.90
July	63.85	63.28	63.75	63.75
Sept	64.25	63.60	—	—

COTTON 50,000 lb, cents/lb

	Close	Prev	High	Low
May	62.45	62.50	64.20	61.60
July	62.05	61.35	63.10	61.50
Oct	61.90	61.38	63.10	61.55
Dec	61.98	61.28	63.05	61.50
March	62.80	62.00	63.70	62.80
May	63.30	62.55	63.75	63.75
July	63.90	62.95	—	—

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Latest	Prev	High	Low
June	18.66	18.59	18.74	18.54
July	18.34	18.32	18.41	18.25
Aug	18.12	18.09	18.19	18.02
Sept	17.98	17.97	18.05	17.93
Oct	17.93	17.92	18.00	17.88
Nov	17.90	17.88	17.96	17.85
Dec	17.90	17.87	17.94	17.87
Jan	17.80	17.85	17.87	17.80
Feb	17.80	17.85	—	—
March	17.80	—	—	—

GOLD 100 troy oz, $/troy oz

	Close	Prev	High	Low
April	362.9	460.4	470.0	462.0
May	463.5	461.1	471.5	465.0
June	465.5	463.4	473.0	462.5
August	471.3	468.9	478.5	468.5
Oct	514.6	510.1	516.9	516.5
Dec	482.5	479.5	490.0	480.0
Feb	486.5	485.2	486.0	486.0
April	494.5	490.9	503.0	492.0
June	500.8	496.9	508.0	497.8

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	Prev	High	Low
May	48.70	49.32	49.90	48.95
June	49.60	49.34	49.80	48.80
July	49.35	49.29	49.88	48.70
Aug	49.80	49.74	49.85	49.30
Sept	50.50	50.44	50.50	50.10
Oct	51.00	51.19	51.00	50.60
Nov	51.70	51.84	51.70	51.70
Dec	52.10	52.69	52.50	52.10

ORANGE JUICE 15,000 lb, cents/lb

	Close	Prev	High	Low
May	133.80	134.90	134.75	133.10
July	132.10	132.75	132.65	131.50
Sept	129.50	129.50	130.30	129.50
March	125.95	125.75	—	—
May	125.95	125.75	—	—

PLATINUM 50 troy oz, $/troy oz

	Close	Prev	High	Low
April	625.0	621.8	633.0	622.0
June	—	624.8	—	—
July	630.0	626.3	637.0	624.0
Oct	637.0	631.8	643.0	629.5
Jan	641.5	637.3	649.0	639.5
April	653.0	642.8	653.0	651.0
July	658.0	648.3	658.0	658.0

SILVER 5,000 troy oz, cents/troy oz

	Close	Prev	High	Low
May	904.5	854.5	904.5	904.5
June	909.4	859.4	—	—
July	914.4	864.4	914.4	914.4
Sept	924.5	874.5	924.5	924.5
Dec	939.8	889.8	939.8	938.8
Jan	945.0	895.0	—	—
March	955.1	905.1	955.1	955.1
May	968.4	916.4	968.4	966.4
July	978.0	928.0	—	—
Sept	989.7	939.7	—	—

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	Prev	High	Low
May	6.94	6.56	7.10	6.57
July	7.19	6.72	7.33	6.75
Sept	7.40	6.96	7.46	7.15
Oct	7.46	7.03	7.53	7.04
Jan	7.54	7.17	—	—
March	7.79	7.42	7.82	7.42
May	7.88	7.57	7.98	7.87
July	8.06	7.68	8.10	7.70

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	Prev	High	Low
June	66.00	65.85	66.30	65.85
August	61.77	61.52	62.25	61.55
Oct	60.85	60.52	61.40	60.57
Dec	61.50	61.17	62.00	61.10
Feb	61.02	60.60	61.65	60.85
June	62.50	61.80	62.85	61.95

LIVE HOGS 30,000 lb, cents/lb

	Close	Prev	High	Low
June	53.80	53.52	54.70	53.55
July	51.82	51.10	52.57	51.05
Aug	48.92	47.82	49.25	47.90
Oct	42.50	42.17	43.10	42.20
Feb	40.80	40.55	41.50	40.60
April	38.80	38.55	39.35	38.70
June	40.87	39.95	40.90	39.95
July	40.25	39.75	40.25	40.25

MAIZE 5,000 bu min, cents/56 lb-bushel

	Close	Prev	High	Low
May	175.6	175.4	178.0	175.2
July	180.2	180.2	183.0	179.6
Sept	182.4	181.6	184.2	182.0
Dec	186.4	186.6	188.2	186.0
March	193.4	192.6	195.4	193.4
May	196.2	195.0	198.2	196.2
July	197.4	196.2	200.0	197.2

PORK BELLIES 38,000 lb, cents/lb

	Close	Prev	High	Low
May	75.57	75.70	76.60	74.90
July	73.15	73.20	74.30	72.60
August	69.22	68.87	70.10	68.95
Feb	58.87	58.55	59.40	58.45
March	58.00	58.47	59.30	5800
May	59.35	58.90	59.60	59.35

SOYABEANS 5,000 bu min, cents/60 lb-bushel

	Close	Prev	High	Low
May	524.6	517.2	528.0	519.4
July	528.0	520.2	532.0	523.0
August	528.0	520.0	531.0	523.4
Sept	518.6	513.6	523.4	517.4
Nov	519.2	514.6	523.4	517.0
Jan	527.0	522.0	530.4	525.0
March	534.0	529.0	537.4	531.0
May	539.0	534.0	541.4	536.0
July	539.0	534.0	541.0	537.0

SOYABEAN MEAL 100 tons, $/ton

	Close	Prev	High	Low
May	156.5	152.4	157.1	153.2
July	155.9	152.8	156.7	153.1
Aug	155.5	153.0	156.5	153.8
Sept	155.4	152.9	156.5	153.7
Oct	155.0	153.5	156.5	153.8
Dec	155.5	154.0	157.0	154.3
Jan	156.0	154.8	157.0	155.3
March	159.0	157.2	159.0	157.2
May	160.0	158.0	160.0	158.0
July	161.0	156.5	161.0	160.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	Prev	High	Low
May	15.55	15.54	15.70	15.52
July	15.93	15.98	16.08	15.90
August	16.14	16.14	16.25	16.10
Sept	16.32	16.35	16.44	16.29
Oct	16.44	16.46	16.58	16.40
Dec	16.75	16.74	16.90	16.75
Jan	16.77	16.76	16.80	16.75
March	17.25	17.15	17.30	17.25

WHEAT 5,000 bu min, cents/60 lb-bushel

	Close	Prev	High	Low
May	279.0	278.6	281.2	275.4
July	270.4	268.2	272.0	267.0
Sept	272.6	270.2	275.0	269.4
Dec	281.0	277.6	282.0	277.0
March	281.4	278.0	282.4	277.4
May	271.0	270.4	273.4	270.4

SPOT PRICES: Chicago loose lard 13.50 (same) cents per pound. Handy and Harman silver bullion 941.0 (856.0) cents per troy ounce. New York tin 318-21 (318-20) cents per pound.

FREIGHT FUTURES

The market opened steadily and held firm throughout the day absorbing bouts of weekend book-squaring, reports Clarkson Wolff.

	Close	High/Low	Prev.
Dry Cargo			
April	1015	1016/1012	1007
July	909	915/900	896
Oct.	962	963/950	944.5
Jan.	960	960/950	945
Apr.	957.5	—	960
July	880	—	805
Oct.	870	—	860
Jan.	930	—	920
BFI.	1006.5	—	1005

Turnover: 717 (350).

OIL

Brent prices were a few cents down on Houston's close for most of the day but gained 10c in the late afternoon as Nymex rmed. June WTI opened unchanged on Nymex but traded 9c up at 1.30 pm EDT. In the petroleum products market gas/oil and naphtha opened strongly following Thursday's rise on Nymex but fell when the IPE opened and ended the day only slightly up. Fuel oil and gasoline were quiet—Petroleum Argus, London.

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—May		
Arab Light	—	—
Arab Heavy	—	—
Dubai	16.80-16.90*	+0.095
Brent Blend	18.20-18.25	+0.075
W.T.I. (1pm est)	19.05-19.10	+0.30
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	196-200	—
Gas Oil	147-149	+1
Heavy fuel Oil	107-109	—
Naphtha	172-175	+1

* June
Petroleum Argus estimates

NT bequeathed £0.3m to buy stretch of coast

THE NATIONAL TRUST has been left £300,000 to buy a stretch of unspoilt coastline in the south west.

Mr Alan Keet of Budleigh Salterton, Devon, died in February and left the cash to the National Trust with the specific request that they keep his trustees informed of the purchase of coastline

WORLD STOCK MARKETS

NEW YORK

WALL STREET

Dow dips 26 on $ move

INVESTORS' UNEASINESS with current inflation and interest rate environment, growing more uncomfortable with every tick downward in the dollar and bond markets, caused investors on Wall Street yesterday, to sell off a broad array of stocks. Among the biggest losers were Technology stocks.

By 1 pm the Dow Jones Industrial Average was down 26.57 to 2254.4, for a net loss of 16.20 on the week, while the NYSE All Common index, at $160.27, shed $1.96 on the day and $1.92 on the week. Declines led advances by a ten-to-three margin in a volume of 125.17m shares.

The stock market remains at the mercy of fluctuations in the dollar and the subsequent moves in the Bond market as it tries to determine the course of Federal Reserve monetary policy, trader Brad Weekes of Donaldson Lufkin and Jenrette said.

Technology stocks accounted for a good part of the market's loss. Digital Equipment lost 1⅛ to $164⅛ and Unisys 1⅛ to $113¾.

Three brokerage houses lowered opinions of Cray Research, helping to send the stock down 7⅝ to $120. Better first quarter earnigs were reported but analysts said Cray will not keep up the momentum.

Texaco led the actives with a gain of ¼ to $31¾—on Thursday the Bankruptcy Court overseeing Texaco's Chapter 11 proceedings allowed the company's appealthe $10.3bn judgment awarded Pennzoil to go forward in Texas Courts. Pennzoil moved up 1¾ to $75¾.

Closing prices for North America were not available for this edition.

Sunshine Mining rose ½ to $8⅝ in active trade, benefitting from the strong rise in gold amidst inflation worries.

THE AMERICAN SE Market Value index shed 2.57 to 322.79, making a loss of 5.65 on the week. Volume 8.69m shares.

CANADA

Stocks turned lower as a sharp advance by Gold issues failed to hold markets higher against pressure from broad selling on Wall Street, touched off by investor unease about the current inflation and interest rate environment.

The Toronto Composite index shed 7.7 to 3758.70. But the Gold index moved up 190.9 to 9620.7 and the Oil and Gas index firmed 0.6 to 3972.1.

Golds bucked the weaker trend as bullion prices surged to their highest levels since February, 1983.

But strength from Golds failed to inspire Base Metal stocks. Cominco lost ⅝ to $16¾—its 3,200 unionised workers at two British Columbia lead-zinc operations voted to authorise a possible strike, the workers' union said.

Shell Canada improved ¾ to $42 on higher first quarter profits and its expects improved 1987 results.

TOKYO

Share prices closed *slightly* down after rising in the morning as profit-taking on financial stocks outweighed buying triggered by news the Government dropped a Sales Tax proposal from this year's Budget, brokers said.

The Nikkei Dow Market Average shed 18.24 to 24,006.37, after rising to 24,210.11. Thursday the index fell 73.18 to 24,024.61. Falls outnumbered rises by four-to-three in turnover of 1.9bn shares (1.1bn).

Securities House, Bank and Insurance shares fell on profit-taking after being heavily bought over the past two weeks.

Electricals, Precisions, Machineries, some Manufacturings, Autos and other Export-Oriented issues fell as the yen climbed to post-war highs against the dollar. Property, Warehouse, Railway and Rubber issues also gained ground. Oil importers rose on the yen's rise against the dollar.

The dollar's fall against the yen also revived expectations of a cut in Japan's 2.5 per cent discount rate soon, bolstering some Shipbuildings and Steels.

HONG KONG

Lower in sluggish trading as the market gave up its early gains under selling pressure from local investors and foreign institutions.

The Hang Seng index fell 12.28 to 2,707.61 while the broader based Hong Kong index lost 7.06 to 1,742.67. Turnover HK$531.92m (HK$585m).

Brokers said they do not expect an increase in local interest rates at the bank association's weekend meeting, but the prospect of higher rates still overshadows the market.

AUSTRALIA

Strong local and overseas buying in Golds helped pull Australian share markets out of their recent downtrend, and key indices closed sharply higher.

The rush for Gold shares followed a sharp rise in the international bullion price overnight. Bullion rose US$11.30 to 459.90 an ounce in response to higher silver prices and a weaker US currency. *Heavyweight mines rose sharply* in heavy turnover and buying spilled over into the Industrial sector, where investors began to look for bargains after taking profits for the last six days.

The All Ordinaries index closed 33.4 higher at 1,776.7, pushed up by a 278.7, or 8.5 per cent leap in the gold index to 3,556.4. The Metals and Minerals index gained 72.9 to 1,152.2, the All Resources rose 49.2 to 1,180.6 and the All Industrials added 12.5 at 2,558.0.

National turnover 225.5m shares worth A$524.1m, with rises outnumbering falls more than four-to-three.

North Flinders led the rises in the Gold sector, advancing A$1.50 to 23.00, followed by GMK and Metana, up A$1.40 each at A$11.30 and A$16.00 respectively. Poseidon were A$1.10 higher at 5.60, and Whim Creek and Emperor, each rose 90 cents to A$13.90 and A$9.70 respectively.

Among Industrials, ACI rose 25 cents to A$4.10 on speculation about new moves by the Pratt group, or former suitor Equiticorp-Tasman. Pratt lifted its stake in ACI to 15 per cent in a buying spree last night. Broker McIntosh Hamson Hoare Govett put through 640,700 ACI shares yesterday in special sales at A$4.25.

SINGAPORE

Mixed after selective buying alternated with bouts of profit-taking in active trading.

Most institutions moved to the sidelines awaiting results from yesterday's United Malays National Organisation's (UMNO) elections. UMNO is a major component party in Malaysia's ruling National Front coalition.

Paper Products, the most active stock on 4.3m units, rose 3½ cents to 51 cents. Arab-Malaysia Development put on 6 cents to S$1.18 with 3.2m shares exchanged.

Singapore Press Holdings moved up 20 cents to S$8.05 following its higher interim results.

GERMANY

Share prices closed lower across the board in light pre-weekend trading, undermined by renewed weakness in the dollar, *despite Central Bank dollar* purchases.

Both domestic and foreign investors sold shares moderately but there was little buyin interest to counter this. "There's simply no one who wants to commit themselves to any extent ahead of the weekend," said one dealer.

Some shares recovered from lows towards the end of trading.

The Commerzbank index of 60 leading shares, fixed at midsession, fell 23.1 to 1,803.7.

Blue-chips were among those hit hardest, with Siemens shedding DM 11.50 to 702.50, Daimler tumbled DM 32 to 988 and Deutsche Bank were off DM 11.20 to 636.30.

Kloeckner-Werke shed DM 3.80 to 67.20—it faces balance sheet losses of some DM 300m after its 49 per cent subsidiary Maxhuette filed for bankruptcy last week.

CHICAGO

CANADA

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FINLAND

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK

DOW JONES

STANDARD AND POOR'S

TRADING ACTIVITY

CANADA

TORONTO

MONTREAL Portfolio

NEW YORK ACTIVE STOCKS

FOREIGN EXCHANGES

Dollar sharply weaker

THE DOLLAR fell through key resistance points yesterday, following market disappointment over US GNP data released on Thursday. The dollar's sentiment had remained bearish and indications that the rise in GNP was not signifying an economic upturn generated sufficient impetus to push the dollar below the key support level of DM 1.80.

It had already breached the Y140 level in Tokyo, despite further intervention by central banks. Further support by the Bundesbank, the Swiss central bank and others failed to hold the dollar and it touched a low of Y139.30 before closing at Y139.70, its lowest closing level ever in London and down from Y141.25 on Thursday.

Against the D-Mark it fell to a low of DM 1.7845 before closing at DM 1.7910, down from DM 1.8145 on Thursday and its worst closing level since September 1980. Elsewhere it slipped to SFr 1.4620 from SFr 1.4830 and FFr 5.9725 from FFr 6.0325.

The poorer economic outlook suggested that the authorities would have little room to defend the dollar by raising the discount rate. On Bank of England figures, the dollar's exchange rate index fell from 101.0 to 100.1.

STERLING—Trading range against the dollar in 1987 is 1.6576 to 1.4710. March average 1.5926. Exchange rate index 72.7 against 72.5 on Thursday. The six months ago figure was 67.9.

Sterling rose to its best level since November 1982 against the dollar, closing at $1.6570 up from $1.6365. However, this was not enough to offset the dollar's weakness elsewhere and the pound slipped to DM 2.9675 from DM 2.97 and SFr 2.4225 from SFr 2.4275. It was slightly firmer against the yen at Y231.50 from Y231.25 and FFr 9.8950 from FFr 9.8725.

D-MARK—Trading range against the dollar in 1987 is 1.9395 to 1.7870. March average 1.8355. Exchange rate index 146.8 against 111.5 six months ago.

There was no intervention by the Bundesbank at yesterday's fixing in Frankfurt when the dollar was quoted at DM 1.7969 compared with DM 1.8205. However, the central bank was active in open trading, selling yen and buying dollars. Dealers were keen to point out that the dollar had broken through several major resistance points in the past few days and that further declines could not be ruled out. The dollar closed at DM-1.7935 from DM 1.8185.

JAPANESE YEN—Trading range against the dollar in 1987 is 159.45 to 139.70. March average 151.41. Exchange rate index against 207.4 six months ago.

Dollar sentiment remained bearish in Tokyo, pushing the US unit to a record trading low of Y139.05 before closing at Y139.50 down from Y140.75 in New York and Y141.15 in Tokyo on Thursday. The weaker trend was mainly a reaction to a generally bearish trend after Thursday's US GNP figures. Although the figure was above expectations, closer analysis showed little improvement in economic growth. In addition traders reacted to comments by Mr Kiichi Mayazawa, which stressed that the Japanese had no intention of supporting the dollar other than through intervention in currency markets.

£ IN NEW YORK

Apr 23	Latest	Previous Close
£ Spot	1.6485-1.6495	1.6435-1.6445
1 month	0.42-0.39 pm	0.42-0.41 pm
3 months	1.15-1.10 pm	1.10-1.07 pm
12 months	3.30-3.20 pm	2.70-2.62 pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

	Apr. 24	Previous
8.30 am	72.6	72.3
9.00 am	72.6	72.4
10.00 am	72.7	72.4
11.00 am	72.7	72.4
Noon	72.5	72.4
1.00 pm	72.6	72.5
2.00 pm	72.7	72.5
3.00 pm	72.6	72.5
4.00 pm	72.7	72.5

CURRENCY RATES

Apr. 24	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.790197	0.701783
U.S. Dollar	5.5	1.3019	1.15864
Canadian $	7.90	*	1.54239
Austrian Sch.	4	16.4059	14.6047
Belgian Franc	8	48.4874	43.0841
Danish Krone	7	8.82134	7.82663
Deutsche Mark	3.0	2.3393	2.07803
Neth. Guilder	4½	2.64015	2.34970
French Franc	9½	7.7955	6.92347
Italian Lira	11.5	N/A	1482.77
Japanese Yen	2½	182.259	161.978
Norway Krone	8	8.70938	7.73105
Spanish Peseta	—	163.317	145.236
Swedish Krona	7½	8.17041	7.24036
Swiss Franc	3.5	1.90786	1.69509
Greek Drach.	20½	172.821	153.648
Irish Punt	—	N/A	0.777352

*CS/SDR rate for April 23: 1.71986

CURRENCY MOVEMENTS

April 24	Bank of England Index	Morgan Guaranty Changes %
Sterling	72.7	−20.7
U.S. Dollar	100.1	−6.7
Canadian Dollar	77.1	−11.3
Austrian Schilling	138.1	+10.0
Belgian Franc	100.0	−4.6
Danish Krone	93.3	+3.3
Deutsche Mark	146.8	+21.4
Swiss Franc	175.7	+24.5
Guilder	134.9	+14.1
French Franc	71.7	−12.9
Lira	47.9	−17.1
Yen	226.8	+69.2

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base average 1975=100).

OTHER CURRENCIES

Apr. 24	£	$
Argentina	2.5325-2.5440	1.5350-1.5410
Australia	2.3305-2.3335	1.4095-1.4105
Brazil	40.0240-40.248	24.2570-24.3780
Finland	7.1775-7.1980	4.3500-4.3530
Greece	216.95-220.80	132.00-134.20
Hong Kong	12.8650-12.8825	7.7980-7.8000
Iran	116.40*	80.90*
Korea (Sth)	1370.65-1383.05	834.10-840.90
Kuwait	0.44690-0.44750	0.27100-0.27110
Luxembourg	61.40-61.50	37.05-37.15
Malaysia	4.0745-4.0830	2.4700-2.4720
Mexico	1924.40-1945.95	1167.00-1179.00
N. Zealand	2.8345-2.8420	1.7140-1.7170
Saudi Ar.	6.1845-6.1900	3.7495-3.7505
Singapore	3.5030-3.5110	2.1240-2.1260
S. Af. (Cm)	3.2925-3.3145	2.0010-2.0050
S. Af. (Fn)	5.2380-5.4095	3.1745-3.2785
Taiwan	54.85-55.15	33.35-33.45
U.A.E.	6.0575-6.0630	3.6725-3.6735

*Selling rate.

POUND SPOT—FORWARD AGAINST THE POUND

Apr. 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6425-1.6575	1.6565-1.6575	0.42-0.39c pm	2.93	1.05-1.00 pm	2.47
Canada	2.1905-2.2111	2.2000-2.2010	0.35-0.25c pm	1.64	0.41-0.17 pm	0.53
Netherlands	3.33-3.35¼	3.34¼-3.35¼	1⅛-1⅛c pm	4.48	3⅝-3⅜ pm	4.18
Belgium	61.22-61.58	61.40-61.50	17-10c pm	2.64	45-34 pm	2.57
Denmark	11.11-11.19¾	11.17-11.18	¼-1 ore dis	−0.67	1⅞-2¼ dis	−0.65
Ireland	1.1075-1.1135	1.1085-1.1095	0.08-0.18 p dis	−1.41	0.17-0.44 dis	−1.10
W. Germany	2.95-2.97¼	2.96¼-2.97¼	1⅝-1⅛pf pm	6.07	4¼-3¾pm	5.05
Portugal	228.91-231.13	230.20-231.10	62-148c dis	−5.46	248-375 dis	−5.40
Spain	206.70-207.72	207.40-207.70	83-100c dis	−5.29	265-300 dis	−5.44
Italy	2107-2120½	2117-2118	1pm-1 lire dis	—	2pm-3 dis	−0.09
Norway	10.99½-11.05	11.04-11.05	3⅝-4⅝ ore dis	−4.21	12¾-13⅝ dis	−4.78
France	9.83¾-9.90	9.89-9.90	1⅝-1¼ c pm	1.82	4¼-3⅝ pm	1.52
Sweden	10.28¼-10.34¾	10.33¾-10.34¾	⅞pm-⅛ ore dis	−0.15	par ⅝ dis	−0.12
Japan	229¼-232	231-232	1¼-1 y pm	5.83	3⅝-3⅜ pm	5.62
Austria	20.79-20.88	20.81-20.84	10-8⅞ gro pm	5.37	28⅞-25⅞gro pm	5.20
Switzerland	2.40½-2.42¾	2.41¾-2.42¾	1⅝-1⅛ c pm	6.19	3⅝-3⅜ pm	5.68

Belgian rate is for convertible francs. Financial franc 61.65-61.75. Six-month forward dollar 1.65-1.60 c pm. 12-month 2.45-2.35 c pm.

DOLLAR SPOT—FORWARD AGAINST THE DOLLAR

Apr. 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6425-1.6575	1.6565-1.6575	0.42-0.39c pm	2.93	1.05-1.00pm	2.47
Ireland†	1.4802-1.4955	1.4930-1.4940	0.58-0.53c pm	4.48	1.47-1.37 pm	3.82
Canada	1.3299-1.3355	1.3345-1.3355	0.11-0.14c dis	−1.13	0.48-0.53 dis	−1.52
Netherlands	2.0135-2.0365	2.0200-2.0210	0.26-0.23c pm	1.45	0.88-0.83pm	1.69
Belgium	37.04-37.40	37.05-37.15	1pm-2 c dis	−0.16	3pm-2 dis	0.05
Denmark	6.72½-6.80½	6.74¼-6.74¾	1.55-2.25ore dis	−3.37	4.90-5.60 dis	−3.11
W. Germany	1.7845-1.8060	1.7905-1.7915	0.45-0.42pf pm	2.91	1.41-1.36 pm	3.09
Portugal	138½-139¼	138½-138¾	75-125c dis	−8.61	250-325 dis	−8.25
Spain	125.05-126.22	125.10-125.20	105-115c dis	−10.51	305-325 dis	−10.03
Italy	1274-1288	1277¼-1278¾	3.00-3.50lire dis	−3.04	7.50-9.50 dis	−2.65
Norway	6.64⅞-6.71¼	6.66¼-6.66¾	4.00-4.50ore dis	−7.65	12.00-12.50dis	−7.35
France	5.95-6.01¼	5.97-5.97½	0.55-0.70c dis	−1.25	1.40-1.70 dis	−1.04
Sweden	6.23-6.28¼	6.24-6.24½	1.30-1.70ore dis	−2.88	4.10-4.50dis	−2.76
Japan	139.30-140.00	139.65-139.75	0.35-0.32y pm	2.88	1.09-1.04 pm	3.05
Austria	12.55½-12.69½	12.57½-12.58	2.80-2.40gro pm	2.47	8.50-7.50 pm	2.54
Switzerland	1.4545-1.4700	1.4615-1.4625	0.42-0.37c pm	3.24	1.17-1.12 pm	3.13

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 37.20-37.30.

EURO-CURRENCY INTEREST RATES

Apr. 24	Short term	7 Days' notice	One Month	Three Months	Six Months	One Year
Sterling	10-10¼	10-10⅛	9⅞-9⅞	9⅝-9⅞	9⅝-9½	9⅝-9½
U.S. Dollar	6⅛-6⅜	6⅜-6⅝	6⅝-6⅜	6⅞-7	7⅛-7⅛	7½-7⅝
Can. Dollar	7-7¼	7⅛-7½	7½-7⅞	8¼-8⅜	8⅝-9	8⅞-9⅛
D. Guilder	5⅛-5⅛	5⅛-5⅜	5⅛-5⅜	5⅛-5⅜	5⅛-5⅜	5⅛-5⅜
Sw. Franc	1⅛-2	9⅛-9½	3⅛-3⅞	3⅝-4	3⅝-4	4-4⅛
Deutschmark	3⅛-3⅜	3⅞-3⅞	3⅞-3⅞	3⅞-3⅞	3⅞-4	4-4⅛
Fr. Franc	7⅝-7⅞	7⅞-7⅞	7⅞-8⅛	8⅛-8⅜	8⅛-8¼	8⅝-8½
Italian Lire	7½-9½	9-11	9⅝-10⅛	9⅞-10	9⅞-10	10-10½
B. Fr. (Fin.)	7-7¼	7⅛-⅞	7⅛-7⅛	7⅛-7⅛	7⅛-7⅛	7⅛-7⅛
B. Fr. (Con.)	6⅞-7¼	6⅞-7¼	7-7⅛	7-7⅛	7-7⅛	7⅛-7⅜
Yen	4⅞-5⅛	4⅛-4⅛	4⅛-4⅛	4-4⅛	3⅞-4	3⅞-4
D. Krone	10-10⅜	10⅛-10⅛	10⅛-10⅛	10-10½	10⅛-10⅜	10⅝-11⅛
Asian $Sing.	0-⅛	N/A	3⅝-3⅛	3⅛-3⅛	3⅝-3⅛	3⅞-4

Long-term Eurodollars: Two years 8⅛-8⅞ per cent; three years 8⅞-8⅝ per cent; four years 8⅝-8⅞ per cent; five years 8⅛-9 per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Apr. 24	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.657	2.968	321.5	9.895	2.423	3.348	2116.	2.001	61.45
$	0.604	1.	1.791	139.7	5.923	1.462	2.021	1278.	1.207	37.10
DM	0.337	0.558	1.	78.01	3.334	0.816	1.128	713.6	0.674	20.71
YEN	4.320	7.158	12.82	1000.	42.74	10.46	14.46	9147.	8.641	265.4
F Fr.	1.011	1.675	2.999	234.0	10	2.448	3.383	2140.	2.022	62.10
S Fr.	0.413	0.684	1.225	95.56	4.085	1.	1.382	874.1	0.826	25.37
H Fl.	0.299	0.495	0.886	69.16	2.956	0.724	1.	631.6	0.598	18.36
Lira	0.472	0.783	1.401	109.3	4.673	1.144	1.581	1000.	0.945	29.02
C $	0.500	0.828	1.483	115.7	4.946	1.211	1.673	1058.	1.	30.72
B Fr.	1.627	2.697	4.829	376.7	16.10	3.942	5.448	3446.	3.255	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

MONEY MARKETS

UK rates lower

INTEREST RATES were lower in the London money market yesterday. Sentiment was helped by sterling's firmer trend against a weak dollar although there were signs that its steadier performance against European currencies was governed by Bank of England intervention. The softer tone in interest rates also reflected expectations of an early cut in clearing bank base rates as the prospect of an early general election and a Conservative win gathered momentum.

Three-month interbank money was quoted at 9¾-9⅝ per cent down from 9⅞-9¾ per cent. Weekend money traded between a high of 12½ per cent and a low of 9¾ per cent.

The Bank of England forecast a shortage of around £800m with factors affecting the market including the repayment of late assistance and bills maturing in official hands together with a take-up of Treasury bills draining £805m and a rise in the note circulation of £270m. In addition banks brought forward balances £15m below target. These were partly offset by Exchequer transactions which added £85m.

UK clearing bank base lending rate 10 per cent since March 18-19

The forecast was revised to a shortage of around £850m and the Bank gave assistance in the morning of £25m through outright purchases of £1m of eligible bank bills in band 1 at 9⅞ per cent and £24m in band 2 at 9$\frac{13}{16}$ per cent.

Further help was given in the afternoon of £518m through outright purchases of £349m of eligible bank bills in band 1 at 9⅞ per cent and £169m in band 2 at 9$\frac{13}{16}$ per cent. Late help came to £100m, making a total of £643m.

At the weekly Treasury bills tender the average rate of discount fell to 9.1731 per cent from 9.4619 per cent. The £100m of bills on offer attracted bids of £497m compared with £511m for a similar amount the previous week. The minimum accepted bid was £97.71 against £97.64 and bids at that level were met as to about 75 per cent and above in full compared with 89 per cent the previous week. All bills on offer were allotted. Next week a further £100m of bills will be on offer, replacing a similar amount of maturities.

FT LONDON INTERBANK FIXING

(11.00 a.m. April 24) 3 months U.S. dollars		6 months U.S. dollars	
bid 6$\frac{11}{16}$	offer 7$\frac{1}{16}$	bid 7⅛	offer 7¼

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

Apr. 24	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.50-3.65	3.80-3.90	3.80-3.90	3.80-3.90	3.85-3.95	5.0
Paris	7$\frac{11}{16}$-7⅞	7$\frac{13}{16}$-7$\frac{15}{16}$	7⅞-8	7⅞-8	7⅞-8	7¾
Zurich	⅞-1⅛	3½-3⅝	—	3¾-4	—	—
Amsterdam	5⅛-5⅜	5⅛-5⅜	—	5⅛-5⅜	—	—
Tokyo	3.59375	3.84375	—	3.96875	—	—
Milan	10¼-10⅝	9⅞-10¼	—	10-10½	—	—
Brussels	6.70	7⅛-7⅜	—	7⅛-7⅜	—	—
Dublin	12-12¼	11¾-12	11½-11¾	11⅛-11⅜	10½-10¾	—

LONDON MONEY RATES

Apr. 24	Overnight	7 days notice	Month	Three Months	Six Months	One Year
Interbank	12½-9¾	10-9¾	9$\frac{13}{16}$-9$\frac{11}{16}$	9¾-9⅝	9$\frac{9}{16}$-9$\frac{7}{16}$	9½-9⅜
Sterling CDs	—	—	9⅞-9$\frac{11}{16}$	9½-9$\frac{13}{16}$	9⅝-9⅜	9⅜-9¼
Local Authority Deposits	10-9⅞	10-9¾	9⅞-9$\frac{13}{16}$	9¾-9⅝	9$\frac{7}{16}$-9¼	9$\frac{7}{16}$-9¼
Local Authority Bonds	—	—	10$\frac{1}{16}$	10	9¾	9$\frac{11}{16}$
Discount M'ket Deposits	11-10	9¾	9¾	9¾	—	—
Company Deposits	10⅛	10⅛	10-9$\frac{13}{16}$	9¾	9⅜	9⅜
Finance House Deposits	—	—	9$\frac{13}{16}$	9¾	9⅝	9⅝
Treasury Bills (Buy)	—	—	9¾	9$\frac{9}{16}$	—	—
Bank Bills (Buy)	—	—	9¾	9⅝	9$\frac{7}{16}$	—
Fine Trade Bills (Buy)	—	—	10⅛	10⅛	9¾	—
Dollar CDs	—	—	6.70-6.65	6.85-6.80	7.05-7.00	7.6-7.55
SDR Linked Deposits	—	—	6$\frac{1}{16}$-5$\frac{15}{16}$	6½-6⅛	6½-6⅛	6⅝-6½
ECU Linked Deposits	—	—	6$\frac{11}{16}$-6$\frac{9}{16}$	7-6⅞	7-6⅞	7$\frac{5}{16}$-7$\frac{3}{16}$

Treasury Bills (sell); one-month 9$\frac{11}{16}$ per cent; three-months 9½ per cent; Bank Bills (sell): one-month 9$\frac{23}{32}$ per cent; three months 9$\frac{11}{16}$ per cent; Treasury Bills; Average tender rate of discount 9.1731 p.c. ECGD Fixed Finance Scheme IV reference date February 28 to March 31 (inclusive): 10.053 per cent. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10½ per cent from April 1, 1987: Bank Deposit Rates for sums at seven days' notice 5 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 8 per cent; one-three months 9⅛ per cent; three-six months 9⅛ per cent; six-nine months 9⅛ per cent; nine-12 months 9⅛ per cent; Under £100,000 8 per cent from April 16. Deposits held under Series 5 10¼ per cent. Deposits withdrawn for cash 5 per cent.

Election excitement grips markets

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr 6	Apr 23	Apr 24	May 5
Apr 27	May 7	May 8	May 18
May 11	May 28	May 29	Jun 8

* New time dealings may take place from 9.00 am two business days earlier.

A burst of confidence, based on the growing assumption that the Prime Minister would call and win a June election, rounded off an hitherto drab and long trading Account in London yesterday. Leading shares stormed higher and the bond market celebrated too with rises ranging to nearly 1½ points. Around mid-afternoon, the FT-SE 100 Share Index looked set to achieve a record points rise but a stumbling Wall Street tempered investors' enthusiasm and the close was 33.2 higher at 2001.5. This compares with the best gain ever of 34.8 on June 1 1984.

With the market becoming political, broking houses began reminding clients of the situation in 1983 when Gilts and equities were bid up strongly ahead of the election. Warburg Securities think the same is likely to happen if Mrs Thatcher decides to go to the country in the early summer. In the latest weekly briefing, the house urges UK fund managers "not to miss the boat" because the market is underpinned on fundamental valuation, and the opinion polls are looking good.

Impressed by the sterling/dollar rate and the longer-term outlook for the UK economy, overseas investors needed little prompting. Japanese sources concentrated on Gilt-edged securities which, free of the shackles of recent US selling, advanced strongly. They also avidly bought election bellwether stocks, British Telecom and British Gas. The former were the day's most active issue with 29m shares traded.

Business generally was thwarted by the absence of sellers, often the case on the last day of an extended trading period. But Kleinwort Grieveson made another sortie into the Brewery sector, effecting a substantial trade in Allied-Lyons, Bass and Whitbread "A." The fair weather spell and next month's results season turned thoughts to the sector.

The promise of further taxation cuts and the whiff of cheaper money—the authorities could endorse lower base rates soon—sent Store and Property issues higher. Banks, however, lost the impetus which followed the Japanese attempt to soothe the trade dispute by bringing forward the date when UK financial institutions can operate in Tokyo.

Longer-dated Government bonds surged higher and after pausing briefly around mid-session were better still to close with rises stretching to around 1½ points. Sterling's continued strength was a big attraction, particularly to foreign investors.

FINANCIAL TIMES STOCK INDICES

	Apr. 24	Apr. 23	Apr. 22	Apr. 21	Apr. 16	Year ago	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Government Secs	91.62	91.01	90.63	90.16	90.36	93.24	92.19 (23/3)	84.49 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	97.47	97.07	96.79	96.96	96.83	96.77	97.98 (19/3)	90.23 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1,580.9	1,555.2	1,546.8	1,531.9	1,540.3	1,357.9	1,625.2 (24/3)	1,320.2 (2/1)	1,625.2 (24/3/87)	49.4 (26/6/40)
Gold Mines	444.4	435.4	438.3	453.5	444.5	257.2	485.0 (14/4)	288.2 (19/2)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	3.69	3.74	3.75	3.79	3.87	3.96				
Earnings Yld.%(full)	8.49	8.60	8.57	8.69	8.67	9.83				
P/E Ratio (net) (*)	14.58	14.39	14.46	14.24	14.25	12.47				
SEAQ Bargains (5 pm)	52,144	38,943	35,090	31,964	31,735	—				
Equity Turnover (£m)	—	1,161.35	1,381.88	945.21	1,244.48	808.63				
Equity Bargains	—	46,333	40,971	41,010	41,160	32,087				
Shares Traded (ml)	—	—	—	358.2	474.1	340.6				

S.E. ACTIVITY

Indices	April 23	April 22
Gilt Edged Bargains	138.5	124.5
Equity Bargains	300.2	265.5
Equity Value	2,347.4	2,793.5
5-Day Average		
Gilt Edged Bargains	123.6	128.0
Equity Bargains	275.8	278.8
Equity Value	2,447.9	2,529.4

♥ Opening	10 a.m.	11 a.m.	Noon	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1567.2	1573.9	1577.9	1581.6	1582.7	1582.4	1574.9	1583.6

Day's High 1583.8. Day's Low 1565.9 Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *Nil=14.08.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

Yields at this end of the market fell below 9 per cent but analysts said this should not be a major obstacle to further improvement.

Clearing banks boiled over after responding further in the early dealings to Japan's planned intention to lend up to $30bn to Latin American debtor nations. Lloyds touched 540p before reacting to close unaltered, but still 55 up on the shortened week at 534p. Midland ended 4 off, but 62 higher over the four-day period at 670p, after 677p. NatWest were 8 easier at 605p and Barclays unaltered at 520p, after 525p. Elsewhere, Bank of Wales, still reflecting the annual results, added 9 afresh at 88p. End-Account profit-taking in the absence of further bid developments clipped 11 from Standard Chartered, at 824p.

Composite Insurances contributed to the firm trend. GRE firmed 17 to 885p and Sun Alliance improved 10 to 868p. London United reflected the recent good results with a fresh improvement of 13 at 683p. Elsewhere, Abbey Life revived at 256p, up 8.

The leading breweries staged a substantial advance with Kleinwort Grieveson a keen buyer of Allied Lyons, 11 up at 392p, Bass, 21 to the good at 902p, and Whitbread, which jumped 16 to 333p. Guinness, on the other hand, slipped 7 to 324p on further consideration of the preliminary results which included £125m worth of write-offs connected with the acquisition of Distillers last year.

Leading Building issues displayed smart gains. Blue Circle, ex dividend on Monday, rose 25 to 830p, while Tarmac, with annual results expected next Tuesday, advanced 26 to 518p. Redland firmed 13 to 442p and BPB Industries gained a similar amount at 673p. Costain picked up 10 at 525p; the preliminary results are due next Wednesday. John Laing revived with a rise of 10 at 457p and John Mowlem firmed 16 to 434p. Countryside responded to demand in a restricted market with a rise of 17 at 609p, while F. Cepson moved up 16 to 176p. Raine Industries improved 3 to 128p, while bid speculation continued to boost Aberdeen Construction, up 17 more at 275p. Among brick concerns, Ibstock Johnsen put on 7 to 246p and Nottingham Brick rose 13 to 383p.

Leigh Interests continued to attract buyers in the wake of disposal news and added 4 more to 134p, but recent takeover favourite James Halstead encountered profit-taking in the absence of any developments and closed 12 lower at 201p.

Interest rate optimism and the Tories promise that the basic rate of income tax would be cut to 25p in the event of election victory swept leading retailers to higher levels. Every major stock attracted useful support with Marks and Spencer again prominent with a fresh rise of 7½ making a gain on the shortened week of 20 at 230p; the shares have also been aided by comment ahead of the annual results due on May 6 and, by the group's plan to sell sports goods. Reports of a broker's re-rating helped Gussies "A" also feature with a rise of ⅝ at £12⅝, while Woolworth jumped 27 to 827p. Storehouse put on 10 to 310p, Burton added 13 to 298p and Dixons gained 12 to 388p. Next improved 15½ to 342p and Harris Queensway appreciated 5 at 210p. Perenial takeover favourite Sears responded to Press comment with a rise of 4 to 140p. Elsewhere, Ward White reflected expansion prospects with a rise of 17 at 351p and W. H. Smith "A" moved up the same amount to 352p. John Menzies firmed 8 to 380p ahead of Monday's preliminary figures and improvements of 20 and 23 respectively were seen in Superdrug, 677p, and Freemans, 453p. Against the trend, Lanca softened 3 to 59p and Allebone 4 to 73p following their respective trading statements.

British Telecom were outstanding in Electricals for a rise of 18 to 277p following a turnover of 29m shares amid strong overseas support; the shares have been particularly vibrant of late as renationalisation fears have been allayed by the Tory Government's impressive performance in recent opinion polls. Thorn EMI reflected the buoyant overall trend with a rise of 18 at 685p and Racal gained 4 to 222p on reports of a BZW circular. STC, recently favoured on revived takeover gossip, improved 5¼ at 276½p following the annual report. Elsewhere, Farnell Electronics rose 7 to 225p in anticipation of Monday's preliminary figures and Eurotherm added 17 at 408p. Wordplex, however, dropped 10 to 143p on news of the arrangements with Octagon Industries, a management services group.

A brisker trade developed in the Engineering sector. Leading issues were featured by a sharp gain in Hawker at 502p, up 16, in response to Press mention. GKN improved 7 to 324p and Vickers 5 to 480p. Elsewhere, Clayton Son were outstanding at 226p, up 40, in response to the good preliminary figures. Babcock International continued to make headway on a combination of Sizewell prospects and vague bid talk, closing 9 to the good at 219p. Press mention left Atlas Converting 7 dearer at 223p and Bromsgrove 9 firmer at 117p. Delta met with buying interest and put on 9 to 258p, but Blackwood Hodge closed a penny easier at 49½p on acquisition details and the proposed rights issue to raise approximately £18.5m net.

Tate and Lyle, in the wake of its undertaking to the DTI concerning its stake in S. & W. Berisford, gained 17 to 738p; T & L's interim results are due next Wednesday. Confectionary issues continued firmly although the emphasis switched to Rowntree Mackintosh which closed 12 higher at 484p. Cadbury Schweppes added a penny more to 250p. Retailers were featured by Argyll which attracted good support and closed 20 higher at 420p. ASDA-MFI were 7 up at 155p and Dee Corporation improved 4 at 218p. Elsewhere in the Food sector, United Biscuits put on 8 to 281p reflecting a bear squeeze, while Fitch Lovell attracted a burst of buying interest and closed 14 up at 294p. Bernard Matthews picked up 10 at 290p, while Hughes Food firmed 6 to 127p following acquisition news. Moving sharply against the trend, Aberdeen Steak Houses shed 7 to 55p following details of lower annual profits.

Grand Metropolitan were an active market—nearly 7m shares changed hands—and the price closed 7 higher at 482p. Ladbroke firmed 7 to 423p.

Quite a lively trade developed in selected miscellaneous industrial leaders. Hanson Trust were again briskly traded before closing a shade better at 160½p, while BTR were relatively lively (some 3.8m shares changed hands) at 312p, up 8 along with Beecham which closed 13 to the good at 498p. Pilkington traded firmly at 810p, up 21, while Reckitt and Colman continued to make headway and put on 10 further to 983p. Elsewhere, further consideration of the results and the US acquisitions prompted demand for Restair which advanced 28 to 243p. Charter Consolidated, partly reflecting the advance in gold shares, put on 19 to 360p. US aquisition news and the chairman's encouraging statement at the meeting enlivened interest in Steetley, 14 to the good at 574p. Johnsen and Jorgensen rose 22 to 237p on the recommended offer from John Waddington. Bid hopes left P. and W. Maclellan 7½ dearer at 90½p, while Beatson Clark rose to 314p on news that Anglo African Finance has increased its stake in the company to 13 per cent. Williams Holdings improved 8 to 763p and Norcros 11½ to 415p; the latter further rejected the offer from Williams yesterday. Redfearn, in which Mr Ron Brierly has a sizeable stake, advanced 19 to 571p, while better-than-forecast annual profits left British Island Airways 3 better at 81p. Spring Ram edged up to close 7 higher at 385p on the encouraging tenor of the chairman's annual statement.

Among Leisure issues, Mecca attracted support at 190p, up 9, while Campari gained a similar amount to 178p in a restricted market. Rex Williams shaded ½ to 22p following the annual figures, while Chrysalis shed 3 to 252p on further consideration of the interim results.

Jaguar continued to trade firmly in the wake of the chairman's optimistic statement and closed 5 dearer at 584p, a three-day gain of 30. Among Motor Distributors, Appleyard gained 15 to 253p following press comment, but recent take-over favourite Hartwells, after early progress to 123p, eased back on profit-taking to close just a penny dearer on balance at 121p. H. & J. Quick came under late selling pressure and dipped 12 to 213p.

Among Papers, Ault and Wiborg recorded a speculative gain of 35 at 280p.

The Property leaders took the gains of the last few days a useful step further on persistent demand fuelled by interest rate hopes. Land Securities and MEPC both moved ahead strongly in the late dealings; LS were finally 13 higher at 423p, while MEPC settled 15 to the good at 414p. Hammerson A were also firm at 525p, up 27, while British Land put on 5 to 207p, a two-day rise of 11. Elsewhere, Rosehaugh moved up 50 to 835p on property development prospects, while Daejan, still responding to favourable press comment, rose 23 to 848p.

Among Shippings, P&O Deferred moved ahead in line with the other leaders and closed 20 higher at 616p, but only around 1m shares changed hands.

Courtaulds moved up 8 to 421p and Dawson International 9 to 273p in Textiles.

Trusts were noteworthy for buying interest in Japanese issues, Crescent improving 7 to 157p, Fleming a similar amount to 178p and GT 11 to 283p.

A buoyant oil share market closed at or around the day's best levels despite the sharp decline on Wall Street. BP, boosted by the good results from US subsidiary Standard Oil and the company's application for a listing on the Tokyo market, moved up 13 to 898p, after a turnover of 3.5m shares. Further overseas buying interest prompted renewed firmness in British Gas which edged up ½ to 97p, with more than 26m shares traded. Shell added ⅛ at £11⅝ ahead of results from US subsidiary Shell Oil due on Monday. Britoil jumped 7½ to 240½p in the wake of the annual meeting and the introduction of traded options last Thursday. Dealings in IC Gas were suspended at 720p at 5 pm; trading in shares in Calor Gas and Contibel, the two constituents of the old IC Gas will commence on Tuesday morning. Elsewhere speculative interest lifted Great Western Resources 12 to 113p while Cluff Oil, which has gold mining interests in Zimbabwe, jumped 8 more to 105p; Cluff Oil Warrants added 6 at 52p.

Mining markets ended an uneven week on a firm note following the latest bout of weakness in the dollar. The latter fell sharply on Thursday evening and continued to move lower for much of yesterday. Consequently precious metals staged another major advance with bullion touching $467.5 at one point before closing a net $12.1875 higher on balance at $465; over the week bullion has advanced $25.25. Silver prices also advanced strongly while Platinum made useful progress.

South African Golds, which rose sharply late on Thursday, were marked up at the outset of trading and gradually gained momentum as the day wore on. International operators tended to ignore the current wave of civil unrest in South Africa and sentiment was additionally boosted by a firmer trend in the financial rand. Overseas buying was particularly in evidence in Vaal Reefs which jumped £5¾ to £88¾ despite the sharp fall in profits in the March quarter. Other quarterly results from mines in the Anglo American Corporation group were also disappointing.

South African Financials were a shade disappointing but London-based issues included outstanding features in Consolidated Gold Fields, 10 to the good at 982p after a turnover of 1.5m shares and Rio Tinto-Zinc, 34 stronger at 958p after a turnover of 2.8m shares.

Australians ended the shortened week on an extremely firm note. Heavy buying on overnight Sydney and Melbourne exchanges coupled with the buoyant performance by bullion and other precious metals triggered a fresh wave of big gains throughout the list of golds. Leading diversified issues showed Western Mining 29 higher at 456p and MIM 15 up at 157p. CRA rose 17 to 400p.

Traded options

British Telecom attracted 6,253 calls and 1,499 puts following heavy Japanese buying of the underlying security. Overall, 53,697 deals were done, comprising 39,619 calls and 14,078 puts.

Traditional Options

- First dealings April 13
- Last dealings May 1
- Last declaration July 23
- For Settlement Aug 8

For rate indications see end of Unit Trust Service

Stocks dealt in for the call included Sears, Oliver Resources, Ryan International, Common Bros, Bernard Matthews, Premier, Abaco, Bula Resources, Ultramar, Blacks Leisure, Helical Bar, Normans, Arenson, Martin Ford, CASE, W. A. Tyzack and Elswick. Puts were arranged in Pilkington, Polly Peck and Helical Bar, while a double option was transacted in Charterhall.

LONDON TRADED OPTIONS

NEW HIGHS AND LOWS FOR 1987

NEW HIGHS (148)

BRITISH FUNDS (4), AMERICANS (2), BANKS (3), BREWERS (2), BUILDINGS (7), CHEMICALS (1), STORES (16), ELECTRICALS (12), ENGINEERING (6), FOODS (1), INDUSTRIALS (33), INSURANCE (2), LEISURE (3), MOTORS (1), PAPER (3), PROPERTY (12), SHIPPING (1), TEXTILES (4), TRUSTS (13), OILS (4), OVERSEAS TRADERS (3), PLANTATIONS (1), MINES (14).

NEW LOWS (32)

AMERICANS (13), CANADIANS (2) Bank of Nova Scotia, Can. Imperial Bank, BANKS (3) Deutsche Bank, First Pacific Hldgs., HK & Shanghai, ELECTRICALS (1) Dewhurst 'A', ENGINEERING (1) Dale Group, FOODS (1) Kraft Inc., INDUSTRIALS (2) Infra Red Assoc., Jardine Hldgs., INSURANCE (3) Alex & Alex, Alex & Alex 11pc Cnv., USLIFE, PAPERS (1) JWT, PROPERTY (1), Intl. Inc. Property, SHIPPING (1), Gotaas-Larson, TRUSTS (1) F & C Eurotrust, OILS (1) Ranger Oil, OVERSEAS TRADERS (1) Tozer Kemsley.

LONDON STOCK EXCHANGE

DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 1.30 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ◆ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

GLC 6¼pc 90-92 £90 ½ 1¼ (22/4)
Birmingham DC 11½pc 2012 £114¼◆
Bristol (City of) 11½pc 2008 £113¼ (22/4)
Glasgow Corp 3½pc £25 (16/4)
Hull Corp 3½pc £25
Merton (London Borough of) 11¼pc 2017 £112◆
Salford Corp 5½pc 86-88 £94 (16/4)
Sunderland (Borough of) 11¼pc 2008 £114¼ (21/4)
Local Authority 5½pc £99⅞ (16/4)

UK PUBLIC BOARDS

Agricultural Mortgage Corp 4½pcDb 81-91 £82. 5½pcDb 93-95 £77 (16/4). 6¼pcDb 92-94 £82½. 6½pcDb 85-90 £94¼. 7¼pcDb 91-93 £91 (22/4). 10¼pcDb 92-95 £101
Great Ouse Water Authority 5¼pc 86-88 £95◆
Port London Authority 3pc 29-99 £44. 6½pc 87-90 £87½ (21/4)
Scottish Agric Sec Corp 5½pcDb 86-88 £93 (21/4)

FOREIGN STOCKS

(coupons payable in London)

China (Republic of) 5pc 1925 ($100) £18◆ 80. Do 1913 £28 (21/4). Do 1912 £28 (21/4). 5pc Stp-Ex £20◆
Hungary (Republic of) 7½pc 1968 £65 (22/4)
Spain (Govt of) 4pc £53
ASDA-MFI 4¾pc 2002 £104
BET 8½pc 2001 £113¼
BTR 4¼pc 1995 £C109
Cadbury Schweppes 8pc 2000 $195◆
Christiania Bank OG Kreditkasse Wrts to sub 7¼pc 1994 99 10
Dixons 6¼pc 2002 £108¼ (22/4)
Hiram Walker Zero $80 (21/4)
Pearson 5¼pc 2001 $132.84◆

Hardys Hansons 545
Mansfield (£1) 375 88 94
Marston Thompson Evershed 7pcLn 1993-998 £70 (16/4)
Russell's Gravesend 6pcPf (£1) 58 (16/4)
Scottish Newcastle 5½pcPf (£1) 48 (22/4). 7¼pcPf (£1) 72◆. 7pcPf (£1) 132 ½. 6pc1stDb 1984-89 £82½. 6¾pc1stDb 1985-90 £92½. 7½pc1stDb 1989-94 £85¼ (22/4)
Seagram Dists 12¾pcDb 2012 £119¾ 20 (22/4)
SA Brews 7pcPf (R1) 7 (21/4)
Thwaites (Daniel) 8pc1stPf (£10) 450◆
Truman 7¼pcDb 1988-93 £87 (21/4)
Vaux Grp 11¼pcDb 2010 £114 ¼
Watney Mann Truman Hldgs 3½pcDb £36¼ (16/4). 7pcDb 1988-93 £86 (22/4). 7¼pcDb 1987-92 £88 (22/4). 10½pcDb 1990-95 £102¼. 12¼pcDb 2008 £121. 7¼pcLn 1994-99 £82½ (16/4). 8pcLn 1990-95 £88 91½
Whitbread 4½pc1stPf (£1) 43. 5½pc3rd Pf (£1) 51 (22/4). 4½pcDb 1999-2004 £57 8 (21/4). 6¼pcDb 1987-92 £84 (22/4). 6½pcDb 1986-91 £84. 7pcDb 1988-93 £87. 7¼pcDb 1989-94 £91½ (21/4). 9¼pcDb 1991-96 £100½ (21/4). 7½pcLn 1995-99 £82 ¼ (22/4). 7¼pcLn 1996-2000 £85½ (22/4). 10½pcLn 2000-05 £105 (22/4). 5¼pcLn £57 (16/4)
Whitbread Inv 2002. 5¼pcDb 1984-89 £90 (22/4). 7-12pc2ndDb £108¼ (16/4)
Wolverhampton Dudley 6pcPf (£1) 60 (22/4)
Young 4.2pcPf 57 (22/4). 9pcPf (£1) 120 (22/4)

COMMERCIAL, INDUSTRIAL

A—B

AAH Hldgs 4.2pcPf (£1) 53 (16/4)
AECI 5½pcPf (R2) 280
AGA Aktiebolag (Sk25) SK200½ (21/4)
AMEC 15pcLn 1992 £110 6

BANKS, DISCOUNT

Bk Ireland 7pcLn 1986-91 £93
Barclays 7¼pcLn 1986-91 £92 ¾. 8¼pc Ln 1986-93 £82 ⅛ ¾ ¾ ½. 12pcLn 2010 £120½ ¼ 1 ¼ ¾. 16pcLn 2002-2007 £142¼ ½ 5
Hill Samuel Grp 8pcLn 1989-94 £91 (22/4)
Lombard North Cent 5pc1stPf (£1) 45
Mercury Intl Grp 7½pcPf (£1) 99
Midland 7½pcLn 1983-93 £90. 10¼pc Ln 1993-98 £105½ 7 8. 14pcLn 2002-2007 £126⅜ ⅝
Natl Westminster 7pcPf (£1) 65. 9pc Ln 1993 £99¾ 100¼. 12½pcLn 2004 £123⅞ ¼ ½ ¾ ⅞ 4½ ⅝
Rea Bros 8.5pcPf (£1) 118 (21/4)
Royal Bk Scotland 5½pcPf (£1) 55 (22/4). 11pcPf (£1) 102 2 (22/4)
Scandinavian Bk Grp 253 4 5 5 7 8 8 60 1 2 3 5 8 8 9 72. New Cap (f pd) £2.53
Smith St Aubyn (Hldgs) 9½pc2ndPf (£1) 114
Std Chartered 12¾pcLn 2002-07 £19½ ¼
Wintrust 10½pcPf (£1) 127

BREWERIES

Allied-Lyons 5½pcPf (£1) 52 (21/4). 7½pc Pf (£1) 69 (21/4). 6¼pcDb 1984-89 £94¾ (16/4). 6¼pcDb 1987-92 £86. 7¼pcDb 1988-93 £88 (21/4). 11¼pc Db 2009 £120◆. 5¼pcLn £57 (16/4). 7½pcLn £72. 7¼pcLn 1993-98 £87½
Bass 4pcPf (£1) 39½ (21/4). 7pcPf (£1) 65 7 (21/4). 3¼pcDb 1987-92 £78 (16/4). 8¼pcDb 1987-92 £95¼. 4½pcLn 1992-1997 £72½ (21/4). 7½pcLn 1992-97 £85
Bass Inv 6pcLn 1985-90 £96 (21/4). 7¼pcLn 1992-97 £82 4½
Boddington Grp 9½pcLn 2000-05 £149 50
Bulmer (H. P.) Hldgs 9½pcPf (£1) 117 (22/4). 8¼pc2ndPf (£1) 116
Courage 3¼pcDb 1982-87 £93 (22/4). 7pc2ndDb 1987-92 £91. 7¼pc2ndDb 1985-90 £96 (22/4) 7.1pcLn 1994-99 £78½◆. 10½pcLn 1990-95 £102½ (22/4)
Eldridge Pope 6¼pcLn £59½ (21/4)
Fuller Smith Turner 8pc2ndPf (£1) 106
Greenall Whitley 8pcPf (£1) 98 102 4½. 7¼pcDb 1987-92 £90 (21/4). 7pc Ln £66 (22/4). 8¼pcLn £76 8 (22/4)

British Printing Comm Corp 6.8pcPf (£1) 88. 7.5pcPf (£1) 100
British Shoe Corp Hldgs 5½pcPf (£1) 50 ½ (21/4). 6½pc3rdPf (£1) 60½ (21/4). 7pcLn 1985-90 £92 (21/4)
British Vita 10¼pcDb 1990-95 £98
Brooks Service Gp 140 3
Brown Jackson (20p) 28 ½ 9 ½ ½ 30
Brown Boveri Kent 8pcLn 1988-93 £88⅛◆
Bulgin (A. F.) (5p) 36
Bunzl 7pcLn 1995-97 £134 5 5
Burgess Gp 6pcPf (£1) 50 (16/4)
Burroughs ($5) $118⅛◆
Burton Gp Wts 1991 78. 8pcLn 1998-2003 £80. 9¼pcLn 1999-2003 £82 (22/4). 8pcLn 1996-2001 £130 ½ 1 2 2 3 4
Butlin's 6½pc1stDb 1982-87 £97¾ (22/4). 7½pc1stDb 1985-90 £91½ 3¼

C—D

Cadbury Schweppes 3½pc1stPf (£1) 47 (16/4). 9pc1stDb 1988-93 £97 (16/4)
Callyns 6½pc1stPf (£1) 54. 10pcPf (£1) 120
Cambridge Instruments (5p) 125 7 8 30. New Ord (5p) 128 7 8 8 9 30 30
Canadian Overs Pack Inds 480 90 (21/4)
Canning (W.) 7¼pcLn 1988-93 £72 (22/4)
Carclo Engineering Gp 10½pcPf (£1) 115 (16/4)
Carlton Inds 7pcPf (£1) 85 (16/4)
Centex Corp ($0.25) £28¾ (16/4)
Central Shearwood 10pcPf (£1) 45
Centreway Inds 11pcPf (£1) 110 4 (22/4)
Centreway Tst 11pcPf (£1) 110 (22/4)
Channel Tunnel Invests (5p) 90 2 100 (21/4)
Cherringtons Industrial Hlds 8pcLn1988-95 £83 (21/4). 10¼pcLn 1993-98 £99 (16/4)
Charter Consolidated (2p) 535
Church (Charles) Developments New (5p) 105 5 6 7 9 9 10
Clarke (T) (10p) 47 (21/4)
Clyde Blowers 182 90 (16/4)
Coats Patons 4¼pcLn 2002-07 £57 (22/4). 6¼pcLn 2002-07 £71 ½. 7¼pcLn 1990-1995 £87½ 8½
Coats Viyella 4.9pcPf (£1) 67 2½
Collins (William) 8pcDb 1993-98 £85 8
Combined English Stores Grp 7¾Pf (£1) 71 (21/4)
Courtaulds 5pc2ndPf (£1) 55◆. 7¼pcDb

Q—R—S

Queens Moat Houses 10¼pc1stDb 2020 £101¼ (22/4). 12pc1stDb 2013 £119¼ ¼. 10½pcLn 1989-91 £425
Quick (H. and J.) Grp 10pcPf (£1) 82
RHP Grp 7pcPf (£1) 60 (16/4)
RHP 8pcPf (£1) 73 (16/4). 8½pcDb 1983-88 £95. 8pcDb 1992-96 £91¼ (22/4). 4½pcLn 2004-09 £40 (21/4). 9pcLn 1999-2004 £88 (21/4)
Racal-Chubb 8pcLn 1992-95 £87½ (22/4). 8½pcLn 1987-92 £89
Rank Organisation 8¼pcPf (£1) 68. 8pc 2ndPf (£1) 79 (21/4). 8½pcLn 1990-

$45¼ (16/4). N Amer (Reg) $14.05 (16/4)
Murray Ventures Wts 91
NMC Invests Wts 155
RBC Far East Pacific Fnd Pf ($0.01) $31.61◆
Renaissance Hldgs New (FP) 99 (16/4)
Rothschild (J.) Hldgs Wts 81 1 2½
Schroder Portfolio Selection Fd Pf ($0.01) (Japanese) 214½
Second Market Invest 2½pcLn 1984 (NP) £0¼ (16/4)
Smith New Court Wts 40
Strata Invests Wts 65
TSB Gilt Fnd (1p) 105‡ (22/4)
Thornton Pacific Invest (£1) 835 43. Wts 342 3 5 52‡

MINES—SOUTH AFRICAN

Coronation Syndicate (R0.25) 85
East Daggafontein Options to sub for Shs 54◆
General Mining Union Cpn 12.5pcDbs (Irrd) (R27) £8◆ 10◆ 1◆
Trans-Natal Coal Cpn (R0.50) 90 (16/4)
Western Deep Levels Options to Sub for Ord £27¼ (21/4)

East Anglian 3.5pc £55 (16/4)
East Surrey B 4.9pc £69. 4.2pcPf 1985-90 £78
East Worcestershire 3.5pc £48 (22/4)
Essex 3.5pc £48. 3.5pc New £48. 3.5pc Pf £42 (21/4)
Folkestone District 4.9pcPf 1985-88 £95‡
Hartlepools 3.5pc £49
Lee Valley 7¼pcDb 1991-92 £88 (21/4). 8¼pcDb 1992-94 £91¼
Mid Kent 3.5pc £47 9

Hang Lung Devel 96 (22/4)
Haoma North West 9¼◆ 9½ (23/4)
Hexcel Corp $48⅜◆ (22/4)
Hill 50 Gold Mines 61 (23/4)
Hooker Corp 138◆ (21/4)
Horizon Pacific A$0.614 0.62 (23/4)
Humboldt Energy 12 (16/4)
Hunter Res 102◆ 98½ A$2.183 2.208 (22/4)
Int Mining A$0.219 (22/4)
Invincible Gold A$0.30 (A$0.20) 35 A$0.783 (23/4)

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Res (Ir£0.05) 96 7 8 9 100 1 5
Marinex Pet (10p) 20 1
Natural Res (Ir£0.25) 29½ 30 ½

(By permission of The Stock Exchange)

BANK RETURN

BANKING DEPARTMENT	Wednesday April 22, 1987	Increase (+) or decrease (−) for week
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	87,211,741	− 1,021,409
Bankers Deposits	936,121,592	− 17,713,739
Reserve and other Accounts	1,619,056,154	− 142,926,067
	2,656,942,487	− 161,661,215
ASSETS		
Government Securities	424,993,943	− 25,828,000
Advance and other Accounts	827,879,528	+ 228,814,801
Premises Equipment & other Secs.	1,398,493,980	− 358,565,494
Notes	5,358,018	− 6,094,248
Coin	217,018	+ 8,726
	2,656,942,487	− 161,661,215

ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes in Circulation	13,164,641,982	+ 76,094,248
Notes in Banking Department	5,358,018	− 6,094,248
	13,170,000,000	+ 70,000,000
ASSETS		
Government Debt	11,015,000	—
Other Government Securities	9,460,273,392	+ 551,849,077
Other Securities	3,698,711,508	− 481,849,077
	13,170,000,000	+ 70,000,000

FT-ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Apr 24 1987 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 27%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Thurs April 23 Index No.	Wed April 22 Index No.	Tues April 21 Index No.	Year ago (approx.) Index No.	1987 High		1987 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (207)	905.71	+1.8	7.68	3.13	16.51	5.40	890.76	889.51	824.87	726.83	880.85	25/3	696.73	2/1	880.85	25/3/87	50.71	13/12/74
2	Building Materials (27)	1045.98	+2.5	7.54	3.17	16.68	2.98	1020.16	1016.81	1006.51	808.15	1009.77	27/3	860.39	5/1	1009.77	27/3/87	44.27	11/12/74
3	Contracting, Construction (30)	1385.83	+1.4	7.47	3.47	18.35	5.78	1366.45	1368.28	1368.55	1109.83	1494.84	11/3	1185.88	2/1	1494.84	11/3/87	71.48	2/12/74
4	Electricals (12)	2180.35	+0.9	6.45	3.76	20.85	11.16	2089.12	2085.38	2074.19	2060.49	2166.42	27/3	1772.22	2/1	2166.42	27/3/87	84.71	25/6/62
5	Electronics (36)	1900.87	+2.0	7.88	2.38	16.73	10.93	1863.08	1867.86	1863.50	1609.14	2013.38	3/3	1543.77	2/1	2049.85	13/11/84	1229.81	8/10/85
6	Mechanical Engineering (59)	473.05	+1.1	8.71	3.65	14.65	3.88	468.13	468.53	465.42	408.52	490.62	27/3	393.85	2/1	490.62	27/3/87	45.43	5/1/75
8	Metals and Metal Forming (7)	464.28	+1.8	7.80	3.34	15.56	2.74	456.13	451.94	448.85	351.04	475.35	27/3	355.97	2/1	475.35	27/3/87	49.65	6/1/75
9	Motors (16)	327.95	+0.9	9.21	3.24	12.49	2.96	325.07	324.42	320.33	289.27	337.55	2/3	272.83	2/1	337.55	2/3/87	19.91	6/1/75
10	Other Industrial Materials (20)	1442.32	+2.1	6.27	3.42	19.15	14.43	1412.85	1402.57	1396.66	1304.39	1499.90	27/3	1179.19	2/1	1499.90	27/3/87	277.55	15/1/81
21	CONSUMER GROUP (188)	1163.49	+1.7	6.44	2.74	19.99	4.12	1144.20	1139.43	1132.45	916.54	1209.81	24/3	950.87	2/1	1209.81	24/3/87	61.41	13/12/74
22	Brewers and Distillers (22)	1079.13	+1.6	7.95	3.14	15.86	3.69	1062.34	1057.55	1051.06	903.55	1111.08	24/3	938.04	2/1	1111.08	24/3/87	69.47	13/12/74
25	Food Manufacturing (26)	881.30	+1.0	7.96	3.35	16.59	7.32	872.34	872.89	865.88	680.86	908.65	24/3	738.92	2/1	908.65	24/3/87	59.67	11/12/74
26	Food Retailing (16)	2138.70	+2.1	5.98	2.54	23.87	10.45	2095.58	2081.74	2071.83	1896.58	2220.09	24/3	1881.08	2/1	2220.09	24/3/87	54.25	11/12/74
27	Health and Household Products (10)	2178.06	+0.5	4.43	1.78	26.11	2.04	2167.23	2192.36	2178.46	1534.90	2404.02	25/2	1645.70	2/1	2404.02	25/2/87	175.38	28/5/80
29	Leisure (32)	1252.35	+1.0	6.05	3.35	21.87	9.19	1239.87	1236.47	1225.44	899.97	1287.83	27/3	986.35	2/1	1287.83	27/3/87	54.83	9/1/75
31	Packaging & Paper (15)	602.54	+1.5	6.32	2.74	20.35	2.30	593.59	592.18	588.16	454.57	618.63	27/3	491.50	2/1	618.63	27/3/87	43.46	6/1/75
32	Publishing & Printing (14)	3466.25	+0.6	6.15	3.27	20.88	8.38	3445.04	3460.71	3458.07	2353.88	3683.48	18/2	2713.49	2/1	3683.48	18/2/87	55.08	6/1/75
34	Stores (37)	1017.28	+3.5	6.47	2.62	21.00	1.69	983.14	959.34	953.17	985.23	1041.63	10/3	835.17	2/1	1041.63	10/3/87	52.63	6/1/75
35	Textiles (16)	690.66	+2.6	7.81	3.03	14.78	8.44	673.31	672.85	671.20	517.75	720.23	27/3	541.39	2/1	720.23	27/3/87	62.66	11/12/74
40	OTHER GROUPS (86)	983.94	+2.1	8.11	3.39	15.34	7.19	963.51	956.09	944.41	793.04	1002.22	27/3	815.09	5/1	1002.22	27/3/87	58.63	6/1/75
41	Agencies (17)	1389.69	—	4.97	1.77	27.01	7.12	1389.98	1392.48	1392.36	0.0	1455.97	27/3	1111.16	2/1	1455.97	27/3/87	1111.16	2/1/87
42	Chemicals (21)	1193.45	−0.2	8.14	3.62	15.05	16.56	1195.99	1198.29	1192.21	884.68	1315.21	25/2	1002.81	2/1	1315.21	25/2/87	71.20	1/12/74
43	Conglomerates (12)	1258.09	+1.3	7.15	3.37	16.48	4.04	1242.38	1226.06	1207.32	0.0	1312.54	13/3	1112.14	2/1	1312.54	13/3/87	1112.14	2/1/87
45	Shipping and Transport (11)	1991.16	+1.6	7.49	3.99	16.85	21.76	1960.23	1958.94	1954.39	1610.62	2014.75	27/3	1567.77	2/1	2014.75	27/3/87	90.80	29/6/62
47	Telephone Networks (2)	1062.09	+5.7	8.80	3.53	15.49	1.09	1004.46	984.54	954.69	928.90	1062.09	24/4	837.15	5/1	1062.09	24/4/87	517.92	30/11/84
48	Miscellaneous (25)	1296.21	+0.8	9.30	3.38	12.12	16.07	1285.39	1287.50	1282.27	983.30	1387.79	27/3	1101.37	5/1	1387.79	27/3/87	60.39	6/7/75
49	INDUSTRIAL GROUP (481)	1044.79	+1.8	7.20	3.01	17.61	5.52	1025.99	1021.64	1013.60	846.61	1070.55	24/3	860.46	2/1	1070.55	24/3/87	59.01	13/12/74
51	Oil & Gas (17)	1838.94	+1.1	7.78	4.71	16.80	35.84	1818.16	1814.54	1809.28	1139.09	1927.41	27/3	1505.69	5/1	1927.41	27/3/87	87.23	29/5/62
59	500 SHARE INDEX (500)	1111.97	+1.7	7.29	3.26	17.49	8.17	1093.04	1088.77	1080.99	873.52	1148.72	24/3	915.61	2/1	1148.72	24/3/87	63.49	13/12/74
61	FINANCIAL GROUP (118)	696.87	+0.7	—	4.17	—	8.42	691.14	684.02	679.23	613.46	700.70	24/3	615.75	2/1	700.70	24/3/87	55.88	13/12/74
62	Banks (8)	753.05	−0.2	18.74	4.95	7.06	14.36	755.09	733.35	725.18	673.30	765.82	18/2	685.07	14/4	765.82	18/2/87	62.44	12/12/74
65	Insurance (Life) (9)	937.62	+0.7	—	4.49	—	16.09	931.46	933.75	929.86	848.29	1007.33	24/3	869.23	2/1	1007.33	24/3/87	44.88	2/1/75
66	Insurance (Composite) (7)	531.99	+0.7	—	4.60	—	5.09	528.17	525.60	522.37	509.55	571.05	2/3	456.52	2/1	571.05	2/3/87	43.96	13/12/74
67	Insurance (Brokers) (9)	1119.99	+0.8	9.56	4.75	13.53	13.84	1111.38	1113.78	1110.86	1187.85	1201.71	16/1	1009.71	14/4	1515.27	12/2/86	65.86	16/12/74
68	Merchant Banks (11)	365.89	—	—	3.43	—	2.80	365.87	365.77	364.90	360.79	390.44	16/1	345.05	2/2	390.44	16/1/87	31.21	7/1/75
69	Property (47)	992.38	+2.4	4.51	2.85	28.94	2.76	969.46	966.15	958.60	751.52	992.38	24/4	805.02	5/1	992.38	24/4/87	56.01	20/4/65
70	Other Financial (27)	455.44	+0.7	7.27	3.32	17.52	3.04	452.30	451.48	450.28	350.67	473.64	27/3	365.01	2/1	473.64	27/3/87	33.29	17/12/74
71	Investment Trusts (94)	964.67	+1.0	—	2.42	—	5.01	955.54	952.48	946.81	753.25	992.46	27/3	867.57	2/1	992.46	27/3/87	71.12	13/12/74
81	Mining Finance (2)	480.09	+2.6	6.38	3.46	18.43	1.89	467.99	470.07	469.49	297.48	480.09	24/4	341.86	2/1	480.09	24/4/87	66.31	30/9/74
91	Overseas Traders (11)	931.28	+0.7	8.76	4.70	13.83	18.30	924.45	925.69	923.64	657.47	931.28	24/4	778.26	2/1	931.28	24/4/87	97.37	6/1/75
99	ALL-SHARE INDEX (725)	1001.33	+1.5	—	3.38	—	7.96	986.85	981.42	974.59	797.32	1026.58	24/3	835.48	2/1	1026.58	24/3/87	61.92	13/12/74

		Index No.	Day's Change	Day's High	Day's Low	April 23	April 22	April 21	April 16	April 15	Year ago	1987 High		1987 Low		Since Compilation High		Since Compilation Low	
	FT-SE 100 SHARE INDEX ◆	2001.5	+33.2	2005.1	1982.3	1968.3	1955.7	1940.2	1949.4	1922.2	1622.6	2064.5	24/3	1370.1	14/1	2064.5	24/3/87	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri April 24	Day's change %	Thurs April 23	xd adj. today	xd adj. 1987 to date
	British Government					
1	5 years	124.05	+0.33	123.64	—	3.64
2	5-15 years	144.43	+0.86	143.21	—	4.94
3	Over 15 years	154.98	+1.09	153.30	—	4.78
4	Irredeemables	171.06	+0.81	169.68	—	1.62
5	All stocks	140.55	+0.74	139.51	—	4.49
	Index-Linked					
6	5 years	119.71	+0.44	119.19	—	0.83
7	Over 5 years	119.33	+0.19	119.10	—	1.17
8	All stocks	119.16	+0.21	118.91	—	1.13
9	Debentures & Loans	125.97	+1.00	124.72	—	2.80
10	Preference	87.18	+0.44	86.79	—	1.94

	AVERAGE GROSS REDEMPTION YIELDS		Fri April 24	Thurs April 23	Year ago (approx.)	1987 Highs		1987 Lows	
	British Government								
1	Low	5 years	8.19	8.17	7.68	9.78	2/1	7.97	20/3
2	Coupons	15 years	8.75	8.88	8.50	10.08	2/1	8.64	20/3
3		25 years	8.76	8.90	8.51	10.08	2/1	8.64	20/3
4	Medium	5 years	8.90	9.04	8.80	10.80	2/1	8.62	20/3
5	Coupons	15 years	8.97	9.09	8.80	10.39	2/2	8.83	20/3
6		25 years	8.97	9.09	8.60	10.18	2/1	8.84	20/3
7	High	5 years	9.06	9.21	8.91	10.84	2/1	8.78	20/3
8	Coupons	15 years	9.10	9.22	8.91	10.57	2/1	8.97	20/3
9		25 years	8.92	9.02	8.91	10.24	2/1	8.82	20/3
10	Irredeemables†		8.89	8.96	8.52	10.06	2/1	8.71	20/3
	Index-Linked								
11	Inflat'n rate 5%	5 yrs	2.85	2.95	3.37	3.95	2/1	2.39	24/3
12	Inflat'n rate 5%	Over 5 yrs	3.52	3.53	3.58	3.87	2/1	3.30	6/4
13	Inflat'n rate 10%	5 yrs	2.29	2.39	2.23	2.57	16/4	0.85	24/3
14	Inflat'n rate 10%	Over 5 yrs	3.41	3.41	3.22	3.71	2/1	3.17	27/3
15	Debs &	5 years	9.75	9.97	10.04	11.46	2/1	9.50	23/3
16	Loans	15 years	9.95	10.08	9.95	11.30	2/1	9.79	23/3
17		25 years	9.99	10.11	9.86	11.98	2/1	9.84	23/3
18	Preference†		10.41	10.46	11.13	11.85	2/1	10.41	24/4

◆ Opening index 1982.3; 10 am 1994.6; 11 am 1997.3; Noon 2003.3; 1 pm 2004.4; 2 pm 2004.0; 3 pm 1995.3; 3.30 pm 1998.1; 4 pm 2004.0.

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Agencies	31/12/86	1114.07	Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Conglomerates	31/12/86	1114.07	Mechanical Engineering	31/12/71	153.84	All Other	10/04/62	100.00
Telephone Networks	30/11/84	517.92	Industrial Group	31/12/70	128.20	British Government	31/12/75	100.00
Electronics	30/12/83	1646.65	Other Financial	31/12/70	128.06	Do. Index-linked	30/04/82	100.00
Other Industrial Materials	31/12/80	287.41	Food Manufacturing	29/12/67	114.13	Debs. & Loans	31/12/77	100.00
Health/Household Products	30/12/77	261.77	Food Retailing	29/12/67	114.13	Preference	31/12/77	76.72
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 32p.

CONSTITUENT CHANGES: General Funds Investment Trust (71), British Car Auction Group (9) and Centrovincial Estates (69) have been deleted and Church (Charles) (3) and Stockley (69) have been inserted.

WORLD MARKETS

FT-ACTUARIES WORLD INDICES

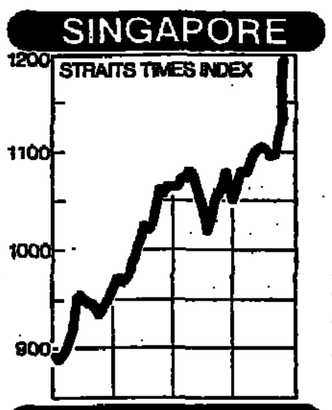
Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY APRIL 23 1987					DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	1987 High	1987 Low	Year ago (approx)
Australia (94)	128.66	+0.1	116.56	120.23	2.88	134.48	99.92	94.00
Austria (16)	92.45	+0.3	83.75	87.21	2.13	101.62	91.97	88.14
Belgium (47)	119.61	+0.8	108.36	111.50	4.24	120.40	96.19	82.83
Canada (131)	128.03	−0.7	115.99	123.49	2.25	136.17	100.00	100.23
Denmark (39)	112.91	+0.1	102.29	105.01	2.39	124.10	98.18	107.66
France (122)	119.94	+1.1	108.66	113.49	2.31	120.79	98.39	93.36
West Germany (90)	94.66	+0.0	85.75	89.29	2.07	100.33	84.00	92.92
Hong Kong (45)	103.39	+0.1	93.67	103.56	3.18	114.71	96.89	74.14
Ireland (14)	119.39	−0.2	108.16	114.25	3.70	131.44	99.50	91.27
Italy (76)	109.84	+1.1	99.51	105.99	1.53	109.84	94.76	88.86
Japan (458)	156.56	+0.1	141.84	139.79	0.47	156.56	100.00	73.00
Malaysia (36)	151.61	+1.5	137.35	144.80	2.64	151.61	98.24	68.93
Mexico (14)	151.82	+1.1	137.54	194.21	1.10	159.57	99.72	52.31
Netherland (38)	114.92	−0.3	104.11	107.31	4.10	118.24	99.65	88.59
New Zealand (27)	95.19	−0.1	86.23	86.58	3.09	100.59	83.93	70.66
Norway (24)	133.51	+0.9	120.96	122.10	2.06	133.51	100.00	106.19
Singapore (27)	126.13	+0.2	114.27	124.07	1.90	126.13	99.29	56.74
South Africa (61)	178.12	+2.0	161.37	118.00	3.32	186.74	100.00	98.60
Spain (43)	115.95	−0.9	105.05	111.34	3.41	121.31	100.00	81.19
Sweden (33)	121.39	+1.6	109.97	113.30	2.02	121.39	90.85	92.67
Switzerland (51)	97.61	+0.4	88.43	89.75	1.89	104.06	93.26	83.84
United Kingdom (342)	130.18	+1.1	117.93	117.93	3.52	133.88	99.65	99.50
USA (597)	117.62	−0.2	106.56	117.62	3.05	124.06	100.00	101.70
Europe (935)	115.82	+0.7	104.93	107.29	2.90	115.82	99.78	93.73
Pacific Basin (687)	153.56	+0.1	139.12	137.77	0.61	153.56	100.00	73.71
Euro—Pacific (1622)	138.51	+0.3	125.48	125.64	1.37	138.51	100.00	81.60
North America (728)	118.17	−0.2	107.06	117.96	3.01	124.60	100.00	101.62
World Ex. US (1828)	138.57	+0.3	125.53	125.58	1.43	138.57	100.00	82.41
World Ex. UK (2083)	130.41	+0.0	118.14	123.30	1.85	131.27	100.00	89.08
World Ex. So. Af. (2364)	130.07	+0.1	117.84	122.79	1.99	130.72	100.00	89.91
World Ex. Japan (1967)	117.94	+0.1	106.84	114.23	2.97	121.08	100.00	98.08
The World Index (2425)	130.38	+0.1	118.11	122.78	2.00	131.01	100.00	89.96

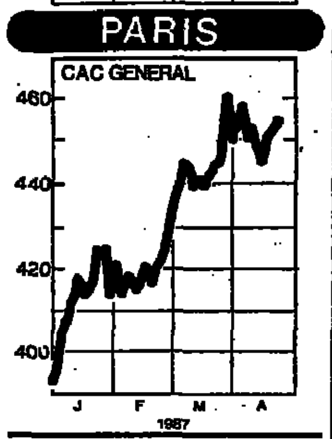
Base values: Dec 31, 1986 = 100

Latest prices unavailable for this edition.

SINGAPORE



PARIS



EUROPEAN OPTIONS EXCHANGE

Series		May 87 Vol.	May 87 Last	Aug 87 Vol.	Aug 87 Last	Nov 87 Vol.	Nov 87 Last	Stock
GOLD C	$420	173	45	175	58	—	—	$461.30
GOLD C	$440	643	27	81	47.50	67	56	"
GOLD C	$460	1422	14.50	358	32	40	42	"
GOLD C	$480	1735	7.20	216	24	144	33.50	"
GOLD P	$420	41	1	13	7	—	—	"
GOLD P	$440	418	2.70	52	11.50	—	—	"
GOLD P	$460	597	9	40	17.50	—	—	"
GOLD P	$480	15	23	55	27	—	—	"
		Jun 87		Sep 87		Dec 87		
SILVER C	$700	42	240	19	250	—	—	$928
SILVER C	$750	—	—	55	215A	12	210A	"
SILVER C	$800	77	145A	104	158	—	—	"
SILVER C	$850	93	110	12	145B	33	160A	"
SILVER P	$700	60	8	—	—	—	—	"
SILVER P	$850	28	30	44	55	42	65A	"
		Apr 87		May 87		Jun 87		
$/Fl C	Fl.190	50	13A	—	—	—	—	Fl.202.55
$/Fl C	Fl.195	135	8A	—	—	—	—	"
$/Fl C	Fl.200	33	2.80A	129	4	73	5.20	"
$/Fl C	Fl.205	225	0.05	303	1	260	2.50	"
$/Fl C	Fl.210	—	—	75	0.55	73	1	"
$/Fl P	Fl.200	116	0.10	307	1.60	115	2.70	"
$/Fl P	Fl.205	357	2	460	4.10	65	5.90	"
$/Fl P	Fl.210	271	7.60	53	8.50B	36	9	"
$/Fl P	Fl.220	—	—	—	—	75	18B	"
		Sep 87		Dec 87		Mar 88		
$/Fl C	Fl.200	68	7	—	—	—	—	Fl.202.55
$/Fl C	Fl.205	32	4.50	28	5.70	—	—	"
$/Fl C	Fl.210	70	2.50	43	3.50	—	—	"
$/Fl C	Fl.220	—	—	73	1.70	—	—	"
$/Fl C	Fl.235	—	—	110	0.40	—	—	"
$/Fl P	Fl.200	16	5.50	—	—	—	—	"
		Apr 87		Jul 87		Oct 87		
ABN C	Fl.500	239	10	82	24	1	31A	Fl.511
ABN P	Fl.520	301	9	144	29	12	41	"
AEGON C	Fl.90	467	0.10	180	5.30	17	6.80	Fl.90
AEGON P	Fl.90	229	0.10	65	4.80	3	6.30	"
AHOLD C	Fl.105	209	3	6	6.50	—	—	Fl.107.50
AHOLD P	Fl.110	242	2	84	6.50	—	—	"
AKZO C	Fl.140	244	0.10	351	3.40	59	6.20	Fl.136.10
AKZO P	Fl.140	1049	3.70	214	11	12	11.30B	"
AMEV C	Fl.65	—	—	44	3.20	20	4.40	Fl.63.90
AMEV P	Fl.65	63	1.50A	39	4	36	5.70	"
AMRO C	Fl.80	—	—	257	3.90	77	5.30	Fl.77.20
AMRO P	Fl.80	499	2.40A	304	4.80	71	6.50	"
ELSEVIER C	Fl.50	195	1.10	209	3.70	—	—	Fl.51.40
ELSEVIER P	Fl.50	332	0.10	75	1.70	—	—	"
GIST-BROC. C	Fl.45	1002	1.50	217	3.10	43	4.20	Fl.46.50
GIST-BROC. P	Fl.45	5	0.10	194	2.40	12	3.50	"
HEINEKEN C	Fl.180	611	0.10	122	7	11	8.90	Fl.178.50
HEINEKEN P	Fl.180	181	0.50	16	7	—	—	"
HOOGOVENS C	Fl.40	2386	0.10	489	2.50	153	3.60A	Fl.39.10
HOOGOVENS P	Fl.40	451	1	216	4.50	348	5	"
KLM C	Fl.40	656	1.50B	74	3.90	20	4.30	Fl.41.50
KLM P	Fl.45	71	3.50	25	4.90	100	6	"
NED. LLOYD C	Fl.150	56	0.50	334	6	120	9.50	Fl.150
NED. LLOYD P	Fl.150	582	1.30	543	12.10	131	15.10	"
NAT. NED. C	Fl.70	206	3.10	25	6	44	6.80	Fl.73.30
NAT. NED. P	Fl.75	370	1.80	53	4.90	—	—	"
PHILIPS C	Fl.50	5792	0.20	1056	3.30	244	4.90	Fl.49.90
PHILIPS P	Fl.50	1534	0.10	1282	2.50A	290	3.70	"
ROYAL DUTCH C	Fl.250	1206	0.10	652	4.50	60	7	Fl.243
ROYAL DUTCH P	Fl.240	730	0.10	221	9	12	14	"
ROBECO P	Fl.100	52	0.50	5	2.10	—	—	Fl.99.70
UNILEVER C	Fl.580	637	0.90	188	22.50	59	33	Fl.577
UNILEVER P	Fl.580	573	4	220	26.50	14	32	"

TOTAL VOLUME IN CONTRACTS: 67,650

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

	%		%		%
ABN Bank	10	● Charterhouse Bank	10	● Morgan Grenfell	10
Adam & Company	10	Citibank NA	10	Nat Credit Corp. Ltd.	10
Allied Arab Bk Ltd	10	Citibank Savings	¶12.45	Nat Bk. of Kuwait	10
Allied Dunbar & Co	10	City Merchants Bank	10	National Girobank	10
Allied Irish Bank	10	Clydesdale Bank	10	Nat Westminster	10
American Exp. Bk	10	Comm. Bk. N. East	10	Northern Bank Ltd	10
Amro Bank	10	Consolidated Cred	10	† Norwich Gen. Trust	10
Henry Ansbacher	10	★ Co-operative Bank	10	PK Finans. Intl (UK)	10½
ANZ Banking Group	10	Cyprus Popular Bk	10	Provincial Trust Ltd	11
Associates Cap Corp	11	Duncan Lawrie	10	R. Raphael & Sons	10
Authority & Co Ltd	10½	E. T. Trust	11	Roxburghe G'rantee	10½
Banco de Bilbao	10	Equator'l Tst C'p plc	10	Royal Bk of Scotland	10
Bank Hapoalim	10	Exeter Trust Ltd	10½	Royal Trust Bank	10
Bank Leumi (UK)	10	Financial & Gen. Sec	10	Smith & Williamson Secs.	10
Bank Credit & Comm	10	First Nat. Fin. Corp	11	Standard Chartered	10
Bank of Cyprus	10	First Nat. Sec. Ltd	11	Trustee Savings Bank	10
Bank of Ireland	10	● Robert Fleming & Co	10	UDT Mortgage Exp.	¶11.1
Bank of India	10	Robert Fraser & Ptrs	11½	United Bk of Kuwait	10
Bank of Scotland	10	Grindlays Bank	‡10	United Mizrahi Bank	10
Banque Belge Ltd	10	● Guinness Mahon	10	Unity Trust PLC	9½
Barclays Bank	10	HFC Trust & Savings	10	Westpac B'nking Corp	10
Benchmark Tst Ltd	10	● Hambro Bank	10	Whiteaway Laidlaw	10½
Beneficial Trust Ltd	11	Heritable & Gen. Tst	10	Yorkshire Bank	10
Berliner Bank AG	10	● Hill Samuel	§10		
Brit. Bk. of Mid. East	10	C. Hoare & Co	10		
● Brown Shipley	10	Hongkong & Shangh'	10		
Business Mortgage Tst	10	Lloyds Bank	10		
CL Bank Nederland	10	Mase Westpac Ltd	10		
Canada Permanent	10	Meghraj & Sons Ltd	10		
Cayzer Ltd	10	Midland Bank	10		

● Members of the Accepting Houses Committee. ★ 7-day deposits 5.35%. Savewise 8.03%. Top Tier—£2,500+ at 3 months' notice 9.38%. At call when £10,000+ remains deposited. ‡ Call deposits £1,000 and over 5¼% grnts. ¶ Mortgage base rate. § Demand deposit 5.35%. Mortgage 11.25%.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system on Thursday until 5 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	6,200	155	+7	Imp. Cont. Gas	198	720	−3
Allied Lyons	3,000	392	+1	Jaguar	3,325	584	+5
Amstrad	4,700	184	+1	Ladbroke	1,300	423	+7
Assoc. Brit. Foods	1,600	347	+7	Land Securities	4,000	423½	+13½
Argyll Group	5,000	420	+20	Legal & Gen.	5,200	265	−2
BAT	4,700	497	+5	Lloyds Bank	5,000	534	—
BET	705	244	+5	Lonrho	761	290	+4
BOC	662	451	—	MEPC	2,200	414½	+15½
BPB Inds	345	673	+14	Marks & Spncr	8,400	230	+7½
BPCC	357	309	−1	Midland Bank	3,600	670	−4
BTR	4,000	312	+8	NatWest Bank	1,800	605	−8
Barclays	1,900	520	—	Pearson	1,400	609	−5
Bass	956	902	+21	P & O	1,100	616	+20
Beecham	3,000	498	+13	Pilkington Bros	1,300	810	+21
Blue Circle	512	830	+25	Plessey	2,400	234	+2
Boots	3,700	287	+6	Prudential	799	818	+5
Brit. Airways	4,700	146	+1	Racal	6,600	222	+4
Brit. Aero	2,500	632	+6	Rank Org	766	703	+10½
Brit. & Comm.	145	442	+2	RHM	700	306	—
Brit. Gas	26,000	97	+½	Reckitt & Col	195	983	+10
Britoil	5,500	240½	+7½	Redland	1,500	442	+13
BP	4,400	898	+13	Reed Intl	869	382	+8
Brit. Telecom	29,000	277	+18	Reuters	291	666	−3
Bunzl	724	218	+4	RMC	334	825	+22
Burton	4,900	298	+13	RTZ	2,900	958	+34
Cable & Wire	3,150	360	+2	Rowntree Mac	2,600	484	+12
Cadbury Schwps	3,000	250	+1	Ryl Bank Scotland	1,100	324	+5
Coats Viyella	1,500	567	+15	Royal Insurance	1,000	896	+1
Comm. Union	4,300	314	+3	STC	4,700	276½	+5½
Cons. Gold	1,600	983	+10	Saatchi & Saatchi	373	649	−4
Cookson	154	600	+3	Sainsbury	643	489	+6
Courtaulds	1,000	424	+11	Sears	10,000	140	+4
Dee Corpn	3,600	218	+4	Sedgwick	1,400	294	+3
Dixons Grp	3,200	389	+13	Shell Trans	3,200	£11⅝	+⅛
English China Clays	823	402	+9	Smith & Nephew	2,000	151½	+2
Fisons	795	621	+3	Standard Chart	2,400	824	−11
Gen. Accident	1,200	923	−2	Storehouse	2,900	310	+10
Gen. Elect	18,920	203	+7	Sun Alliance	466	868	+10
Glaxo	1,500	£14⅝	−⅛	TSB	9,200	83	+1½
Globe Investment	2,500	155	+3½	Tarmac	1,900	518	+26
Granada	1,500	307	+4	Tesco	692	482	+4
Grand Met	6,900	482	+7	Thorn EMI	3,900	685	+18
GUS "A"	783	£12⅞	+⅛	Trafalgar House	1,600	337	+7
Guardian R.E.	1,300	890	+17	T'house Forte	1,200	232	+½
GKN	955	324	+7	Unigate	1,600	369	+5
Guinness	9,600	324	−7	Unilever	460	£26½	+¼
Hanson Trust	9,800	160½	+2	United Biscuits	2,000	281	+8½
Hawker Sidd	552	502	+2	Wellcome	2,100	419	—
Hillsdown Hlgs	1,000	265	—	Whitbread "A"	2,800	333	+16
ICI	3,500	£12$\frac{9}{16}$	−$\frac{1}{16}$	Woolworth	2,000	827	+28

LEADERS AND LAGGARDS

Percentage changes since December 31 1986 based on Thursday, April 23 1987

Gold Mines Index	+46.01	Mechanical Engineering	+18.86
Mining Finance	+36.44	Chemicals	+18.48
Electricals	+34.94	Overseas Traders	+18.19
Health and H'sehold Products	+31.40	Food Manufacturing	+18.15
Metals and Metal Forming	+28.14	Building Materials	+18.01
Publishing, Printing	+26.96	All-Share Index	+17.98
Leisure	+25.70	Stores	+17.71
Shipping and Transport	+24.78	Telephone Networks	+17.63
Agencies	+24.77	Other Groups	+17.36
Textiles	+24.37	Insurance (Composite)	+15.67
Packaging and Paper	+20.77	Contracting, Construction	+15.23
Electronics	+20.68	Brewers and Distillers	+13.25
Consumer Group	+20.33	Financial Group	+12.24
Oils and Gas	+20.30	Conglomerates	+11.52
Property	+20.18	Food Retailing	+11.40
Other Industrial Materials	+19.78	Investment Trusts	+ 9.83
500 Share Index	+19.38	Banks	+ 9.24
Motors	+19.37	Insurance (Life)	+ 7.16
Capital Goods	+19.24	Merchant Banks	+ 5.79
Industrial Group	+19.24	Insurance Brokers	− 1.27

RISES AND FALLS ON THE WEEK

	On Thursday Rises	On Thursday Falls	On Thursday Same	On the week Rises	On the week Falls	On the week Same
British Funds	109	1	3	344	79	29
Corporations, Dom. and Foreign Bonds	22	7	39	71	44	157
Industrials	543	432	568	1,826	1,936	2,416
Financial and Props.	202	114	270	677	559	1,108
Oils	41	31	39	124	134	186
Plantations	4	2	8	12	8	36
Mines	25	31	126	177	165	386
Others	51	109	66	289	319	285
Totals	997	727	1,119	3,520	3,244	4,603

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

MGM Unit Managers Ltd
MGM House, Heene Rd, Worthing 01-623 8211

High Inc.	273.2	290.6xd	+2.1	3.09
(Accum Units)	338.4	360.0	+2.8	5.09
UK Growth	341.8	363.6xd	+4.3	2.66
(Accum Units)	364.1	387.3	+4.5	2.66

MLA Unit Trust Management
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 674751

MLA Gen. Tst	40.5	42.9	+0.8	1.74
MLA Income Trust	54.5	57.7	+0.4	3.89
MLA Int	61.7	65.3xd	−0.1	0.81
MLA Gilt Unit Tst	26.0	26.7	+0.4	9.75
MLA European Trust	35.0	37.1xd	−0.1	0.67
MLA American Tst	26.7	28.3	−0.2	0.88
MLA Emerging Mkts. Tst	23.9	25.3	−0.1	0.70

ManuLife Management Ltd
St George's Way, Stevenage 0438 356101

Gilt&Fxd Int	120.2	128.4	—	7.05
Growth Units	97.8	103.9	—	2.42
High Income Unit	137.5	146.1xd	—	4.04
High Yielding Gilt Uts	60.7	63.3xd	—	8.61
Intl Growth Unit Tst	159.2	162.2xd	—	0.18
UK Smaller Cos	110.5	117.4	—	1.59
North American	82.1	87.2	—	0.34
Far East	143.1	152.1	—	0.02

Mayflower Management Co Ltd
No. 1 London Bridge, London, SE1 9QU 01-378 7000

Income April 13	296.0	314.9xd	—	3.55
General April 13	281.8	296.4xd	—	1.99
International April 13	255.0	264.9xd	—	0.64
Global Inc Fd April 13	48.6	51.7xd	—	5.08

Mencap Unit Trust Mngrs Ltd (a)(c)(e)
Unicorn Hse, 252 Romford Rd, E7 01-534 5544

Mencap	165.9	175.5xd	—	4.32

Perpetual Unit Trust Mngmt. (a)
48 Hart Street, Henley on Thames 0491 576868

International Growth	302.3	322.7	—	0.97
Income	228.5	243.4xd	+2	3.48
Worldwide Recovery	165.1	176.9	−1.7	1.43
American Growth	72.3	77.2	−1.2	0.90
Intl. Emerging Cos.	91.2	97.4	−0.7	0.69
Far East Growth Fd.	97.1	103.7	−0.1	0.75
European Growth Fd.	65.0	69.4	+0.2	1.03

Prolific Unit Trust Managers Limited.
222 Bishopsgate, London EC2 01-247 7544/7

Prolific American Inc.	57.8	61.8	−0.8	3.84
Prolific C'ert & Gilt	117.0	124.5	+0.7	4.72
Prolific Euro Gth&Inc	51.6	54.9	—	2.57
Prolific Extra Inc.	115.5	123.3	+1.1	3.53
Prolific Far East	213.1	228.0xd	+1.1	—
Prolific High Inc.	78.4	83.9xd	+0.7	3.39
Prolific Intl.	145.3	154.4	−0.4	0.26
Prolific N. Amer.	128.2	137.2xd	−2.3	—
Prolific Spec. Sits	94.4	101.0	+0.4	0.81
Prolific Technology	139.9	149.7	−1.0	—

Providence Capital Fd. Mgrs. Ltd
30 Uxbridge Road, London W12 8PG 01-749 9111

Japan Inc.	100.7	108.2xd	+1.6	0.00
Japan Acc.	101.9	108.5	+1.7	0.00
Worldwide Inc.	78.2	82.6xd	+0.3	1.09
Worldwide Acc.	79.5	84.7	+0.2	1.09
European Tst Inc.	96.4	102.6	+0.4	0.34
European Tst Acc.	97.1	103.5	+0.4	0.34
North American Inc.	63.0	67.1	−0.8	1.28
North American Acc.	63.9	68.0	−0.8	1.28
UK Equity Inc.	80.8	86.0	+0.9	1.92
UK Equity Acc.	84.4	89.8	+0.9	1.92
UK High Inc. Eqty Inc.	59.1	62.9	+0.5	4.85
UK High Inc. Eqty Acc.	60.2	64.1	+0.5	4.85
Hong Kong Trust	44.6	47.3	−0.8	0.38
Swiss Equities Trust	46.3	49.0	+0.3	1.88

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London, EC2R 6BA. 01-588 3963

PM Equity Growth	96.0	102.2	—	0.70
PM Income and Growth	87.1	92.7	—	3.44

INSURANCES

Contd. on next Page

FT UNIT TRUST INFORMATION SERVICE

M & G Group—Contd.
Pensions Funds

American (Cap)	309.8	325	-6.0	—
American (Acc)	431.4	453.3	-8.2	—
Banking Sec (Cap)	94.1	98.9	+0.1	—
Banking Sec (Acc)	131.0	137.8		—
Deposit (Cap)	154.2	162.3		—
Deposit (Acc)	214.7	225.6	+0.1	—
European (Cap)	141.3	148.5	+0.2	—
European (Acc)	196.8	206.7	+0.2	—
Equity (Cap)	389.6	409.1	+3.2	—
Equity (Acc)	542.0	569.2	+4.6	—
Gilt (Cap)	245.8	258.1	+1.5	—
Gilt (Acc)	342.2	359.4	+2.1	—
Gold (Cap)	111.7	117.4	+1.6	—
Gold (Acc)	155.6	161.5	+2.3	—
Index-Linked (Cap)	93.5	98.2		—
Index-Lnkd Gilt (Acc)	130.1	136.8	+0.1	—
International (Cap)	108.1	113.6	+0.1	—
International (Acc)	150.5	158.1	+0.1	—
Intl Inc (Cap)	103.2	108.5		—
Intl Inc (Acc)	143.8	151.1		—
Japan (Cap)	150.1	157.7	+1.2	—
Japan (Acc)	209.0	219.5	+1.6	—
Managed (Cap)	307.3	322.7	+1.4	—
Managed (Acc)	427.7	449.4	+2.1	—
PPP Fund (Cap)	289.6	304.2	-0.7	—
PPP Fund (Acc)	403.3	423.5	-1.0	—
Pacific (Cap)	258.6	271.6	-1.1	—
Pacific (Acc)	360.0	378.1	-1.6	—
Property (Cap)	132.1	138.9		—
Property (Acc)	184.0	193.3		—
Recovery (Cap)	189.9	199.5	+0.1	—
Recovery (Acc)	264.5	277.9	+0.2	—

National Mutual Life
5 Bow Churchyard, London

Managed Fund; Managed Protect Fund; UK Equity Fd; Fixed Interest; Pacific; North American; Pens. Managed; Pens. UK Equity; Pens. Overseas Equity; Pens. Property; Pens. Fixed Interest; Pens. Index Linked; Pens. Deposit; P.R.P. UK Equity; P.R.P. Overseas Equity; P.R.P. Fixed Interest; P.R.P. Property; P.R.P. Index Linked; P.R.P. Deposit; P.R.P. Managed; P.R.P. With Profits

National Mutual of Australasia
Serpentine Rd, Poole

Fixed Interest; Guaranteed Deposit; International; Managed; Property; UK Equities; Pens Fixed Interest; Pens Grtd Deposit

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

1987 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
[illegible]	[illegible]	Funding 6½pc 85-87	[illegible]	—	—	—
[illegible]	[illegible]	Treas. 10pc 1987	[illegible]	—	10.00	9.75
[illegible]	[illegible]	Treas 3pc 1987	[illegible]	[illegible]	3.03	7.75
[illegible]	[illegible]	Treas. 12pc 1987	[illegible]	[illegible]	[illegible]	9.16
[illegible]	[illegible]	Treas 7¾pc 1985-88‡‡	[illegible]	[illegible]	7.82	9.00
[illegible]	[illegible]	Exch 10½pc '88	[illegible]	[illegible]	10.35	9.00
[illegible]	[illegible]	Treas 9½pc Cv '88	[illegible]	[illegible]	9.69	9.13
[illegible]	[illegible]	Transport 3pc '78-88	[illegible]	[illegible]	3.12	6.31
[illegible]	[illegible]	Treas. 9½pc '88	[illegible]	[illegible]	9.44	9.02
[illegible]	[illegible]	Treas 11½pc 1989	[illegible]	[illegible]	11.05	9.01
[illegible]	[illegible]	Treas 9½pc Cnv 1989	[illegible]	[illegible]	9.43	9.04
[illegible]	[illegible]	Treas 5pc 1989	[illegible]	[illegible]	3.23	6.74
[illegible]	[illegible]	Treas 10½pc 1989	[illegible]	[illegible]	10.23	9.08
[illegible]	[illegible]	Exch 10pc 1989	[illegible]	[illegible]	9.82	9.06
[illegible]	[illegible]	Exch 11pc 1989	[illegible]	[illegible]	10.56	9.02
[illegible]	[illegible]	Treas 5pc 1986-89	[illegible]	[illegible]	5.34	7.88
[illegible]	[illegible]	Exch 10½pcCv '89	[illegible]	[illegible]	9.65	7.52
[illegible]	[illegible]	Treas 13pc 1990‡‡	[illegible]	[illegible]	[illegible]	8.84
[illegible]	[illegible]	Exch 11pc 1990‡‡	[illegible]	[illegible]	10.48	8.93
[illegible]	[illegible]	Exch. 12½pc 1990	[illegible]	[illegible]	11.48	8.04
[illegible]	[illegible]	Treas. 3pc 1990	[illegible]	[illegible]	3.35	6.89
[illegible]	[illegible]	Treas 8¼pc 1987-90‡‡	[illegible]	[illegible]	8.35	8.70
104	[illegible]	Treas. 10pcCv 1990	[illegible]	[illegible]	9.71	8.98
[illegible]	[illegible]	Exch 2½pc 1990	[illegible]	[illegible]	2.88	6.71
[illegible]	[illegible]	Treas 11½pc 1991	[illegible]	[illegible]	10.83	8.99
[illegible]	[illegible]	Funding 5¾pc '87-91‡‡	[illegible]	[illegible]	6.17	7.76
[illegible]	[illegible]	Treas. 3pc 1991	[illegible]	[illegible]	3.48	6.99
[illegible]	[illegible]	Treas 10pc Cv '91	[illegible]	[illegible]	9.24	7.68
[illegible]	[illegible]	Exch. 11pc 1991	[illegible]	[illegible]	10.23	8.93
[illegible]	[illegible]	Treas 12¾pc 1992‡‡	[illegible]	[illegible]	11.14	8.93
[illegible]	[illegible]	Treas 10pc 1992	[illegible]	[illegible]	9.61	8.95

Five to Fifteen Years

Over Fifteen Years

Undated

BRITISH FUNDS—Contd

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

FOREIGN BONDS & RAILS

FOREIGN BONDS & RAILS—Contd

AMERICANS

Continued on next page

Money Market Bank Accounts

Money Market Trust Funds

UNIT TRUST NOTES

LONDON SHARE SERVICE

AMERICANS—Continued

1987 High	Low	Stock	Price $	+ or –	Div. Gross	C'vr	Yld Gr's
28⅛	24⅝	Sara Lee $1	27½xd	–¼	$2.00	—	4.5
10⅞	10⅛	Seal (B.F.) $1	10⅞	+⅛	20c	—	1.2
79	62⅞	Southwestern Bell $1	64⅞	–⅛	$6.96	—	6.6
17⅝	15¼	Staley Continental	16	+¼	80c	—	3.1
44⅞	36⅝	Sun Co. Inc. $1	38¼xd	–⅛	$3.00	—	4.7
74	60⅝	TRW Inc. $1¼	61⅞xd	–⅛	$3.20	—	3.2
31	26¼	Tenneco $5	27⅞	–⅛	$3.04	—	6.7
187½	152½	Do. 10pcLn.Stk. 91-5	187½xd	—	10%	—	5.4
26⅝	17⅛	Texaco $6.25	19⅝xd	+⅛	$3.00	—	9.6
57¼	53⅞	Time Inc. $1	54⅞	–1½	$1.00	—	1.1
14½	12⅝	Tracor $0.33	12⅝	–½	36c	—	1.8
24⅝	20⅝	Transamerica $1	20⅞xd	+⅛	$1.76	—	5.3
11	967p	Transworld Corp $5	10¼	+¼	20c	—	1.2
42⅝	29¼	TRINOVA Corp.	38¼	–1½	$1.00	—	1.6
18¼	17½	♦USX $1	17⅝	+⅛	$1.20	—	4.1
18⅞	17⅛	Union Carbide $1	17⅞	–⅛	$1.50	—	5.1
31⅞	27⅞	Utd. Technologies	27⅞	—	$1.40	—	3.1
36⅝	30⅝	US West	30⅞xd	–¼	$3.28	—	6.7
33⅞	31⅛	♦Woolworth $3½	36	–½	$1.32	—	2.7

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Cont

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LONDON SHARE SERVICE

INSURANCES—Continued

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
329	305	PWS Holdings 10p	318	–2	g9.25	2.9	4.1	11.6
386	326	Pearl Group 5p	359	.....	10.5	—	4.1	—
*950	808	Prudential	818xd	+5	29.0	—	4.9	—
499	435	Refuge 5p	449	.....	15.75	—	4.8	—
£10⅝	854	Royal	896	+1	31.0	—	4.7	—
*344	288	Sedgwick Group 10p	294	+3	12.0	1.7	5.6	12.6
255	207	Steel Burrill J.10p	243xd	+4	9.0	2.0	5.1	13.5
505	424	Stewart Wr. 20p	424	–1	13.0	2.0	4.3	14.7
450	377	Sturge Hldgs 20p	419xc	+5	6.0	2.5	2.0	27.5
870	645	Sun Alliance	868	+10	23.5	—	3.8	—
£12	944	Sun Life 5p	£11⅛xd	.....	28.5	—	3.3	—
£69⅞	£46¾	♦Taisho M EDR	£60⅝	+2½	Q10%	—	0.6	—
£22⅛	£16⅝	Torchmark $1.00	£17½	–⅛	Q60c	—	2.1	—
335	240	Trade Indemnity	325xd	.....	4.3	—	1.8	—
£34	£27⅞	Travelers $1.25	£27⅞	–⅞	$2.28	—	5.1	—
£30½	£23⅝	USLIFE Corp. $1.0	£23⅝	–⅛	Q$1.20	3.2	3.1	5.2
595	560	‡Utd Friendly B 10p	595	.....	17.2	—	4.0	—
464	367½	Willis Faber 12½p	398	+5	10.75	♦	3.8	♦
60	41	Windsor Secs. 10p	59	.....	0.7	1.5	1.6	54.7

LEISURE

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
17	11½	‡A & M Group 10p	14	.....	0.4	2.0	3.9	17.5
76	69	A-R TV Pref. £1	76	.....	5.95	40.1	12.9	—
*549	302	Anglia TV	446	.....	g11.25	3.3	3.5	12.4
165	113	‡Aspinall Hldgs. 10p	157	–1	6.0	1.2	5.2	21.5
87	63	‡Avesco 1p	84	+1	10.5	6.6	0.8	21.5
48	40	‡BCE Hldgs 5p	42	–1	Rd1.0	3.0	3.3	14.0
190	132	Barr & W.A.T. 'A'	188	.....	7.0	1.4	5.1	(17.9)
191	165	Boosey & Hawkes	191	.....	—	—	—	—
63	45	‡Border T.V.	62	.....	1g2.5	3.2	5.5	15.6
424	217	Brent Walker 10p	401	+6	6.5	2.2	2.9	19.1
*187	110	Campari Int. 20p	178xd	+9	3.0	5.1	2.3	9.1
211	127	Capital Radio 10p	161	–3	w5.0	1.8	4.3	17.5
[illegible]								

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PAPER, PRINTING—Continued

[illegible]

PROPERTY

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TEXTILES—Cont.

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

FINANCE, LAND—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Continued

[illegible]

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
77	54	♦Windsor Res NL	70	.....	—	—	—	—

Tins

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
175	140	Ayer Hitam SM1	150	.....	‡Q80c	0.7	‡	
68	30	Geevor	65	.....	—	—	—	
60	50	Gopeng Berhad M$0.50	60	+5	Q5c	—	2.2	
89	51	Jantar 12½p	67	–3	2.5	0.1	5.1	
65	39	Malaysia Mng. 10c	65	.....	‡vQ2c	2.8	‡	
125	110	Petaling SM1	115	.....	vQ10c	—	2.1	
90	75	Sungei Besi SM1	90	.....	—	—	—	
100	90	Tanjong 15p	100	.....	—	—	—	
145	110	Tronoh SM1	145	+5	‡vQ45c	0.8	‡	

Miscellaneous

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
140	84	Anglo-Dominion	118	–9	—	—	—	
90	24	♦Colby Res Corp.	88	–2	—	—	—	
225	£15⅛	Cons. Murch. 10c	225	.....	uQ60c	4.4	8.3	
69	38	♦Ennex Int. Ir10p	57	+1	—	—	—	
285	159	Greenwich Res	264	.....	—	—	—	
355	190	♦Highwood Res	336	+8	—	—	—	
£24⅞	£20⅛	Homestake Mining $1	£23½	+⅞	Q20c	—	0.5	
393	167	♦McFinley Red Lake	393	+24	—	—	—	
150	86	♦Musto Explorations	106	–2	—	—	—	
100	38	♦New Sabina Res C$1	83	–7	—	—	—	
580	200	Northgate C$1	558	+22	—	—	—	
226	104	Nor-Quest Resources	226	+8	—	—	—	
958	699	RTZ	958	+34	23.5	♦	3.4	
£195¾	£145¼	Do. 9⅛pcLn '95-2000	£195¾	+8½	Q9½%	15.5	(4.9)	

THIRD MARKET

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
475	180	Abelscot Group 10p	395	.....	3.2	—	1.1	—
35	29	Aberdeen Am Pet 10p	29	–1	—	—	—	—
125	110	Allied Ins. Brokers	120	.....	L3.5	2.5	4.1	13.9
60	45	Catalyst Comm. 5p	50	.....	—	—	—	—
66	47	Corton Beach 10p	61	.....	—	—	—	30.3
195	102	Edenspring Investment	195	.....	—	—	—	—
63	31	Eglinton Oil Ir.5p	42	–2	—	—	—	—
41	17	Do. Warrants	30	–1	—	—	—	—
31	17	Publishing Hldgs.5p	31	+1	—	—	—	18.0
58	45½	Theme Holdings	49	–1	1.0	♦	2.9	♦
138	113	Ekalt Group	113	–2	R4.6	2.5	5.6	(8.1)

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- $ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- || No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or –	Stock	Price	+ or –
Albany Inv 20p	73	.....	Fin. 13% 97/02	£114¼	+2¼
Craig & Rose £1	£153¼	+¼	Arnotts	310	.....
Finlay Pkg. 5p	76	+4	CPI Hldgs	55	.....
Holt (Jos) 25p	915	.....	Carrol Inds.	123	.....
IoM Stm. £1	98	.....	Dublin Gas	23	+5
			Hall (R. & H.)	104xd	–2
IRISH			Heiton Hldgs.	27	.....
Fund 11¼% 1988	£100⅛	+⅛	Irish Ropes	150	.....
Nat. 9¾% 84/89	£97⅞	+½	Unidare	350	.....

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	35	NEI	8
Amstrad	16	Nat West Bk	55
BAT	47	P & O Dfd	55
BOC Grp.	42	Plessey	20
BSR	12	Polly Peck	28
BTR	30	Racal Elect	20
Babcock	19	RHM	30
Barclays	47	Rank Org Ord	55
Beecham	48	Reed Intnl	42
Blue Circle	62	STC	20
Boots	25	Sears	12
Bowaters	37	TI	55
Brit. Aerospace	58	TSB	8
Brit. Telecom	20	Tesco	42
Burton Ord	23	Thorn EMI	50
Cadburys	22	Trust Houses	28
Charter Cons.	30	Turner Newall	24
Comm Union	29	Unilever	150
Courtaulds	35	Vickers	55
FNFC	20	Wellcome	50
Gen Accident	80	**Property**	
GEC	18	Brit. Land	17
Glaxo	110	Land Securities	38
Grand Met.	40	MEPC	32
GUS 'A'	100	Peachey	30
Guardian	85	**Oils**	
GKN	30	BOM	3½
Hanson Tst.	15	Brit Petroleum	60
Hawker Sidd	50	Burmah Oil	38
ICI	80	Charterhall	4
Jaguar	52	Premier	4
Ladbroke	40	Shell	75
Legal & Gen	25	Tricentrol	11
Lex Service	35	Ultramar	17
Lloyds Bank	48	**Mines**	
Lucas Inds	55		
Marks & Spencer	18	Cons Gold	65
Midland Bk	55	Lonrho	24
Morgan Grenfell	35	Rio T Zinc	65

A selection of Options traded is given on the London Stock Exchange Report Page.

FINANCIAL TIMES

Saturday April 25 1987

S African press controls quashed

BY ANTHONY ROBINSON IN JOHANNESBURG

THE NATAL Supreme Court yesterday quashed several key censorship regulations which have drastically curtailed media coverage of violent protest in South Africa.

The Government immediately appealed and the restrictions, imposed by President P. W. Botha in December and January, will remain in force until the case is heard in the Bloemfontein Appeal Court.

The Bloemfontein court has overturned several such liberal rulings in the past.

The restrictions, which prevent television crews, photographers, and reporters from covering any security force action, unrest or "subversive statements," were overruled on grounds that the definitions of unrest, security actions and subversion were too vague.

Press lawyers said last night that the Government's appeal suspends the judgment and leaves the restrictions intact, but changes the status of the restrictive laws making prosecution more difficult.

They warned, however, that the Government still had considerable discretionary powers to curb media activity, including powers to deport foreign correspondents and close down newspapers.

Judgment was given after an application by the 2m-strong United Democratic Front anti-apartheid organisation and the Release Mandela Committee to set aside the restrictions, which have been strongly criticised both at home and abroad as an unwarranted assault on the freedom of information.

The ruling came as a senior police officer revealed in the Cape Supreme Court that 1,424 children under the age of 18 were being detained under the June 12 emergency regulations out of 4,244 detainees still in detention on April 15.

He added that 14,965 had been released from detention over the 10 months that the emergency had been in force.

It was the first time such details have been released. They were given in a state affidavit contesting an application by the white opposition Progressive Federal Party to overrule a police notice earlier this month banning campaigns for the release of detainees, especially children.

The latest legal developments came as police reported that their suspected African National Congress guerrillas were shot dead in a gun and grenade battle with police at Umlazi, south of Durban, yesterday morning. Three policemen were wounded.

It was the third such clash in the Durban area over the past five weeks.

Elders IXL threatens to quit Australia

BY CHRIS SHERWELL IN CANBERRA

MR JOHN ELLIOTT, chairman of Elders IXL, the Australian conglomerate which took over Courage Breweries of the UK last year in a £1.4bn deal, yesterday threatened to shift the group's domicile overseas because of a stiffening corporate tax regime at home.

His threat to relocate Elders —with Britain as "the most likely place" — provoked a heated reaction from Mr Paul Keating, the Labor Government's federal Treasurer (finance minister), who denounced Mr Elliott's remarks as "crass." Mr John Howard, leader of the opposition Liberal Party, defended the Elders chief.

Mr Elliott's comments reflect wider concern in the Australian business community over a rise in the corporate tax rate from 46 per cent to 49 per cent from July. The increase is to help pay for a scheme aimed at eradicating the double taxation of dividends.

In addition he is complaining about the introduction of a foreign tax credit system which will tax offshore earnings at the full Australian corporate tax rate, and a dividend withholding tax.

According to Mr Elliott, the Australian government did not "understand what they're doing in terms of trying to look after major Australian companies that are doing a good job for Australia, and in the end we're probably going to be forced to leave Australia as our domicile."

He added that he did not think there would be any loss to the group if it shifted abroad. It was more than an emotional matter, "and eventually Australian shareholders will be much better off if we do."

Mr Elliott's remarks coincide with widespread reports that he is seeking a safe federal parliamentary seat in the state of Victoria in order to pursue his political ambitions. He is currently treasurer of the Liberal Party.

Although Mr Elliott has complained about government tax policies before, he has never been so explicit about the implications for Elders.

The group is one of Australia's largest companies, with 35,000 employees and more than 50,000 shareholders. Apart from its brewing interests—it makes Fosters lager—Elders is involved in the resources and farm sectors, in finance, trade and property.

Some analysts believe that a shift offshore by Elders would be followed by other Australian companies which have expanded their activities abroad. No one doubts that it would embarrass the Government and hurt business confidence.

Mr Elliott acknowledged that he had not told Mr Keating his views, but said the matter would be raised when the Government's detailed legislation was finally available.

"Under the current tax laws, we're very happy to stay," he said in a radio interview. "As we become more international, as we raise money around the world, as we do a good job for Australian shareholders, it looks to me under the new tax laws . . . that to have overseas earnings is a major disadvantage to Australian shareholders."

Elders said yesterday the Canadian Government had cleared its C$392m (£178m) bid for Carling O'Keefe, which brews Carling Black Label lager and holds more than a fifth of Canada's beer market.

Blackwood Hodge rights issue to fund US projects

BY RALPH ATKINS

BLACKWOOD HODGE, the construction and mining equipment group which came close to collapse four years ago, has launched a £18.5m rights issue to build on its recovery programme and finance growth in North America.

The funds raised will be used to finance the $18.5m (£11.3m) purchase of the private company Mitchell Distributing and two other related companies, all based in Charlotte, North Carolina.

On top of the purchase price, Blackwood is paying $8m over three years for a non-competition agreement with the vendors. The deal has been designed to take advantage of US tax laws and means the group's US earnings in the next three years should be tax free.

The acquisition is Blackwood Hodge's third and biggest US investment and makes it the country's largest distributor of Komatsu mining, construction and earthmoving equipment.

Blackwood also announced yesterday that it is buying all remaining shares in its 73.6 per cent owned Canadian subsidiary Blackwood Hodge (Canada). At C$15.50 per share—an 82.4 per cent premium over Wednesday's Toronto Stock Exchange price —the offer values the minority stake at C$10m (£4.6m).

The rights issue of 44.91m shares is on the basis of three new shares for every eight held. It folows a £13m rights issue to boost shareholder funds in July last year.

Mr Ken Scobie, managing director, said the July rights issue marked the end of a recovery strategy started in 1983 when it reported a pre-tax loss of £20.62m.

"We have got ourselves in a position to take such opportunities as arise within a long term strategy," he said.

Since 1983, when market capitalisation fell to £5.6m, the group has reduced borrowing by cuts in stocks and has taken on new franchises. In the year to December 1986, it increased pre-tax profits by 23 per cent to £8.8m on a turnover of £204.37m.

However, in last June it failed in its £19m bid for Benford Concrete Machinery, which was acquired instead by BM Group, the construction industry supplier.

The Mitchell acquisition will complement the Illinois-based Roland Machinery, which Blackwood bought for a minimum of $11.25m in December. The purchase of the Canadian minority, described as an "impediment" by Mr Scobie, will bring flexibility to the group's North American operations.

Earlier this month, it extended Roland's Komatsu representation by buying assets worth $3m from Midway Equipment, another US company.

Blackwood Hodge shares yesterday closed down 1p at 49½p.

GEC puts up to $200m into medical joint venture

BY TERRY DODSWORTH, INDUSTRIAL EDITOR

THE DIVERSIFIED UK electrical group, General Electric Company, will inject $150m to $200m (£91m to £121m) into the medical equipment joint venture which it is forming with Philips of the Netherlands, one of Europe's largest electronics groups.

GEC said yesterday it would be putting the additional cash into the group to bring its equity share up to 50 per cent so that it can participate equally in management with Philips.

The Philips medical systems division had sales last year of about $1.37bn, against a turnover of $612m for GEC's Picker International, the minly US-based group where the UK company's interests in this field are concentrated.

Picker made pre-tax profits last year of £22.2m. Philips' medical division was also profitable, but the company refused to give figures.

The $2bn combined annual sales of the planned company are believed to make it the largest operation in the medical equipment field.

On most recent figures, General Electric of the US stands at number two with sales of $1.75bn, followed by Siemens, the West German group, which has sales of $1.5bn. Toshiba, the Japanese company which is somewhat smaller than Picker, is fourth.

Mr Malcolm Bates, GEC's deputy managing director, said yesterday the agreement would bring together two companies which were well matched geographically. "We shall have roughly $1bn of sales in the US, which is the world's biggest market in medical equipment, and another $1bn in Europe and the rest of the world."

Picker, acquired by GEC in 1981, employs 4,000 of its 6,000 workforce in the US, while about three-quarters of the Philips medical systems employees are based in Western Europe.

The merger is also aimed at giving the two companies a stronger financial base so that they can compete more effectively in a business which demands high levels of research and development.

Picker habitually invests about 10 per cent of its medical equipment sales in research.

There have been suggestions in the City recently that Picker was losing market share because it was having problems competing with the larger companies in the field, but Mr Bates denied this.

The products of the two companies include a wide variety of diagnostic equipment, from the traditional X-ray machines, to highly expensive magnetic resonance devices which cost $1.5m to $2m to install.

Mr Bates said that to compete effectively, medical equipment companies needed to provide a full range of products to serve the varied needs of radiology departments.

Election in June would allow time for bills

By Peter Riddell, Political Editor

THE GOVERNMENT should be able to save most of its current legislative programme, including the measures affecting the City, if there is a June general election as now overwhelmingly expected at Westminster.

The exsxt position will depend on whether election day is June 11 or 18, and therefore how much time is left to wind up parliamentary business after an announcement, probably on May 11 or 12 in the wake of the local election results.

Any legislation will, in most cases, then require agreement between the parties to be approved on the nod before the dissolution of parliament.

The signs are that most of the main measures in last November's Queen's Speech will be enacted, including the bill to abolish domestic rates in Scotland. Deliberate action was taken by Government business managers to introduce major bills earlier than usual in the session. This contrasts with the position at the 1983 general election when two major bills, the Police and Criminal Evidence Bill and British Telecom privatisation bill had to be dropped.

The Banking Bill, which provides for a new supervisory framework for banks, is in its final parliamentary stages, while the order to give statutory backing to the Securities and Investments Board in regulating securities markets is expected to be debated in the first week of May.

The main uncertainty concerns the massive Criminal Justice Bill which, having completed its Commons stages, is due to have its second reading in the Lords on Monday. Given the bill's length and complexity government whips and business managers are doubtful whether anything can be salvaged of it.

Many of the detailed tax changes in the Finance Bill will also have to be dropped and, as in 1983, would be included in a short post-election measure if the Tories won. But ministers are determined to include the 2p reduction in the basic rate of income tax in the shortened pre-election Finance Bill needed to keep tax revenue flowing. The cut will any way be included in pay packets from May 17 onwards

Continued from Page 1

Kinnock

On a theme which Labour is set to repeat throughout the campaign, Mr Hattersley added: "The Tory party under-rate the British people. THbey believe that the British voter is as cynical, avaricious, greedy and selfish as the typical Conservative MP. We know different and we know better."

In an article in today's Financial Times, Mr Hattersley says there is no diguising the problems which stand between Labour and an election victory.

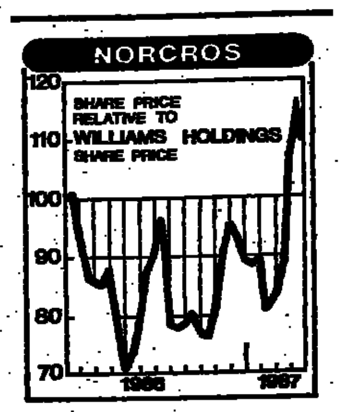
He claims that to win, Labour will have to make clear that left-wing extremists do not obscure the party's programme, and that they remain wholly uninfluential in the party.

In a further acknowledgement of Labour's task, the deputy leader says that perhaps, given a choice of time and place, "the battle would not be here and now," but that it can still win.

THE LEX COLUMN

Transatlantic see-saws

Index rose 25.7 to 1580.9



The special relationship, as interpreted by Mr Reagan and Mrs Thatcher, seems as special as ever. But its counterpart in the investment world seems to be undergoing a trial separation. While the decoupling between equities and bonds has been a vogue topic in recent weeks, the real news is that the link between US and UK bonds appears to have snapped. The yield-differential between the long bond and long gilt-edged has narrowed to less than 40 basis points, and it seems conceivable that the rates will cross over. How much of this is simply a reflection of converging rates of inflation in the two countries, and how much a bet by the Japanese that a sterling fixed interest investment is less likely to lose value than a dollar one, is moot. The US T-Bill auction the week after next will provide part of an answer.

By a chain reaction, trans-Atlantic fission has spread into equities. The early losses on Wall Street were no real impediment to a rise in London, which saw the FT-SE 100 bursting back through 2,000 points. But while the fixed interest markets are cerebrating, the UK equity market seems merely to be celebrating. Dollar weakness is no reason to revise UK corporate earnings, except possibly downwards. It is, simply, that yesterday afternoon was the opening of the account in which the market believes the date of the general election will be announced — a case of "let's hear it for Maggie." So more than £1bn is aded to the value of British Telecom in an hour or two. Not real money, of course, but it looks good.

BP/Standard Oil

The biggest takeover bid by a British company looks as though it might become a bit bigger. BP's revelation that it is having talks with the board of Standard Oil seems directly counter to BP's earlier strategy, which was to put $70 a share on the table, in take-it-or-leave-it style, with a short tender offer, rather than a full bid. Officially the extension of the tender period is because of the delay in a hearing of shareholder suits against the offer in the Ohio courts. Yet it seems that Standard asked for that postponement because it had reason to think that the horse-trading with BP would result in something which might disarm the disaffected shareholders.

A new tender offer at $75 might be enough to send everyone—including the lawyers—home happy. It would be an increase of only 7 per cent over the current offer. But such is the size of the deal, that this apparently small sweetener would alone cost BP about $580m. So Standard might have to settle for even fewer dollars more.

Williams/Norcros

If Norcros retains its independence next week, it is unlikely to have had many votes in hand. Yesterday's rise in the Norcros share price probably reflects no more than the market markers' response to buying by Williams, but for all that, the price of 415p is comfortably within the range of Williams' offers. Given Norcros's rather unenviable record of never quite delivering the promised jam, moreover, it is a strain to see that 415p as hanging principally upon the Norcros forecast of £62m for the current year.

Norcros can reasonably argue that it has made investments, and strategic decisions, that are only now due to bear fruit. But the market scarcely appreciated it until Bunzl, heralding Williams, took an interest. Applying some discount for Norcros jam, and for the odd way in which the Norcros tax charge is supposed to be falling, the offer certainly represents more than 12½ times 1988 earnings, and it deserves to be considered.

Blackwood Hodge

Fund managers with five-year memories are entitled to feel cautious about Blackwood Hodge. But another old-fashioned rights issue and acquisition which cuts gearing from 75 per cent to 44 per cent while boosting earnings per share from 6p to almost 7p cannot be all bad. It should produce a reasonable take-up of the rights issue despite the stingy 15 per cent discount to yesterday's opening price.

The cynics are not, however, without ammunition. Piling up distribution outlets in the US may now be relatively cheap, but it hardly improves the quality of earnings and it was not long ago that the company used to protest that it needed more franchises, not outlets. A diversifying domestic acquisition would loosen dependence on those brutal construction equipment markets and allow the company to release its UK tax benefits. A p/e of 7 has kept that a distant dream. Yesterday's news may bring it a little closer.

Redeemable warrants

The property developer's dream is to build on debt that has a lower running cost than the yield on properties. That seems to be what Wates City is achieving with a £30m of bond issue that should cost a mere 6¾ per cent, possibly a full 200 basis points less than it would have had to pay for a Euro-convertible issue. This difficult trick depends on a novelty; one sixth of the issue is in the form of warrants to buy Wates equity, the warrant premium of £5m being returnable to lenders if they choose not to exercise their warrants.

Existing shareholders should be satisfied, since the warrants are not quite in the money at the moment of issue; even if they were they would only create a 5 per cent increase in the issued share capital. The very low cost of funding permits Wates to plan for a far faster rate of expansion than it could achieve if it really were confined to gearing up its equity with bank debt costing 14 per cent (the developer's nightmare).

CHIEF LONDON PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Exch 12pc '13-'17	£132	+ 1¼	Hawker Siddeley	502	+ 16
Aberdeen Construc	275	+ 17	Hestair	243	+ 28
Argyll Group	420	+ 20	Johnsen & Jorg'nsen	237	+ 22
Babcock	219	+ 9	Land Securities	423½	+ 13½
Blue Circle	830	+ 25	MEPC	414½	+ 15½
BP	898	+ 13	Marks & Spencer	230	+ 7½
Brit Telecom	277	+ 18	Redland	442	+ 13
Charter Cons	360	+ 19	RTZ	958	+ 34
Clayton, Son	226	+ 40	Rosehaugh	835	+ 50
Cluff Oil	105	+ 8	Rowntree Mack'tosh	484	+ 12
Cons Gold Fields	933	+ 10	Tarmac	518	+ 26
Dixons	389	+ 13	Tate & Lyle	738	+ 17
GUS A	£12¾	+ ¾	Thorn EMI	685	+ 18
Gt Western Res	113	+ 12	Ward White	353	+ 19
Hammerson A	525	+ 27	Woolworth	827	+ 28

WORLDWIDE WEATHER

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	19	66	Dallas†	F	12	54	Madrid	C	15	59	Rykjvk.	H	4	39
Algiers	S	31	88	Dublin	S	14	57	Majorca	C	20	68	Rhodes	S	18	64
Amsdm.	S	21	70	Dbrvnk.	S	17	63	Malaga	S	24	75	Rio J'o†		—	—
Athens	S	15	59	Ednbgh.	S	13	55	Malta	S	20	68	Rome	S	18	64
Bahrain	S	30	86	Faro	S	18	64	M'chstr	S	20	68	Salzbrg.	S	19	66
Barclna.	F	17	63	Florence	S	22	72	Melbne.	S	17	63	S'ciscot	C	11	52
Belfast	S	17	63	Frankft.	S	21	70	Mx. C.†		—	—	Seoul	S	17	63
Belgrd.	S	16	61	Geneva	S	19	66	Miami†	S	22	72	Singapr.	F	33	91
Berlin	S	18	64	Gibrltr.	S	20	68	Milan	S	19	66	S'tiago†		—	—
Biarritz	C	20	68	Gl'sg'w	S	16	61	Montrl†	F	5	41	Stckhm.	F	13	55
Bmghm.	S	20	68	G'rnsey	S	17	63	Moscow	R	3	37	Strasbg.	S	21	70
Blackpl.	S	19	66	Helsinki	C	10	50	Munich	S	18	64	Sydney	C	18	64
B. Aires		—	—	H. Kong	F	29	84	Nairobi		—	—	Tangier	S	18	64
Bombay	F	32	90	Innsbrk.	S	20	68	Naples	S	18	64	Tel Aviv	S	22	72
Bordx.	C	18	64	Invrnss.	C	13	55	Nassau		—	—	Tenerife	S	17	63
Boulgn.		—	—	I.o.Man	S	13	55	Nwcstl.	S	19	66	Tokyo	S	21	70
Bristol	S	21	70	Istanbul	F	11	52	N Delhi	C	34	93	T'r'nto†	F	7	45
Brussels	S	22	72	Jersey	F	20	68	N York†	Fg	11	52	Tunis	F	20	68
Budpst.	S	17	63	Jo'burg	F	23	73	Nice	S	17	63	Valencia	F	19	66
Cairo	F	24	75	Leeds	S	19	66	Nicosia	R	18	64	Venice	S	17	63
Cardiff	S	18	64	Lisbon	F	18	64	Oporto	C	14	57	Vienna	F	15	59
Cape T.	S	21	70	Locarno	S	19	66	Oslo	C	15	59	Warsaw	C	15	59
Chicg.†	S	6	43	London	S	21	70	Paris	S	23	73	Wash'gtn	R	13	55
Cologne	S	22	72	L. Ang.†	F	14	57	Peking	R	11	52	Well'gt'n	S	11	52
Cpnhgn.	S	15	59	Luxmbg.	S	19	66	Perth	R	25	77	Zurich	S	20	68
Corfu	S	19	66	Madeira	F	18	64	Prague	S	17	63				

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny.
† Noon GMT temperatures.

Finniston plans to build off-road vehicles at Caterpillar plant

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

A COMPANY planning to manufacture off-the-road vehicles is finalising negotiations to buy the Caterpillar tractor plant at Uddingston, near Glasgow, where workers will vote tomorrow on whether to end their 14 week old sit-in.

Multi-Purpose All-terrain is chaired by Sir Monty Finniston, former chairman of British Steel. It would take over the entire 1.1m square foot plant, but would use only part of it to make vehicles. I could keep up to 400 of the 1,200 people employed at the plant.

Both Sir Monty and Mr Ken Robinson, Caterpillar's plant manager, confirmed yesterday that agreement was close. But Sir Monty warned the deal depended on the Caterpillar workers calling off their occupation.

Leaders of the workers occupying the plant, which Caterpillar is to close by early next year, agreed late on Thursday eentghttoprsin — —vb cm shf night to present a compromise agreement with the company to a mass meeting tomorrow morning. If it is accepted the plant would reopen on Monday and most of the workers would be made redundant between October and December this year, with a small team staying on until next March.

Mr John Brannan, leader of the occupation, yesterday spoke bitterly to the Scottish TUC conference in Perth of the "pressure" which his union, the Amalgamated Engineering Union, had put on the occupation committee to end the sit-in.

The mood at the plant yesterday was one of dejection that the sit-in was ending without cast-iron guarantees of future employment for the full workforce. An occupation committee member expressed doubt about the viability of the vehicle project, about which the workers have been told few details.

Sir Monty said MPAT would manufacture off-the-road vehicles for both military and civilian use, designed by Mr David MacWatt, an inventor who lives at Nairn, east of Inverness. MPAT, of which Mr MacWatt is to be deputy chairman, has made three prototypes of the vehicle and claims to have more than 1,000 orders.

Sir Monty said finance of £5m to £10m was being arranged with banks and the "investing public" to cover the purchase of the plant and equipment and working capital. MPAT hopes to acquire some equipment from Caterpillar, while Caterpillar would remove its dedicated tractor making equipment.

The company hopes to be operating in the factory in tandem with Caterpillar by the end of this month. Although it would acquire the whole plant, it would lease out space it did not need.

"We're in a hurry to get staretd," Sir Monty said. He refused to reveal who the company's customers were.

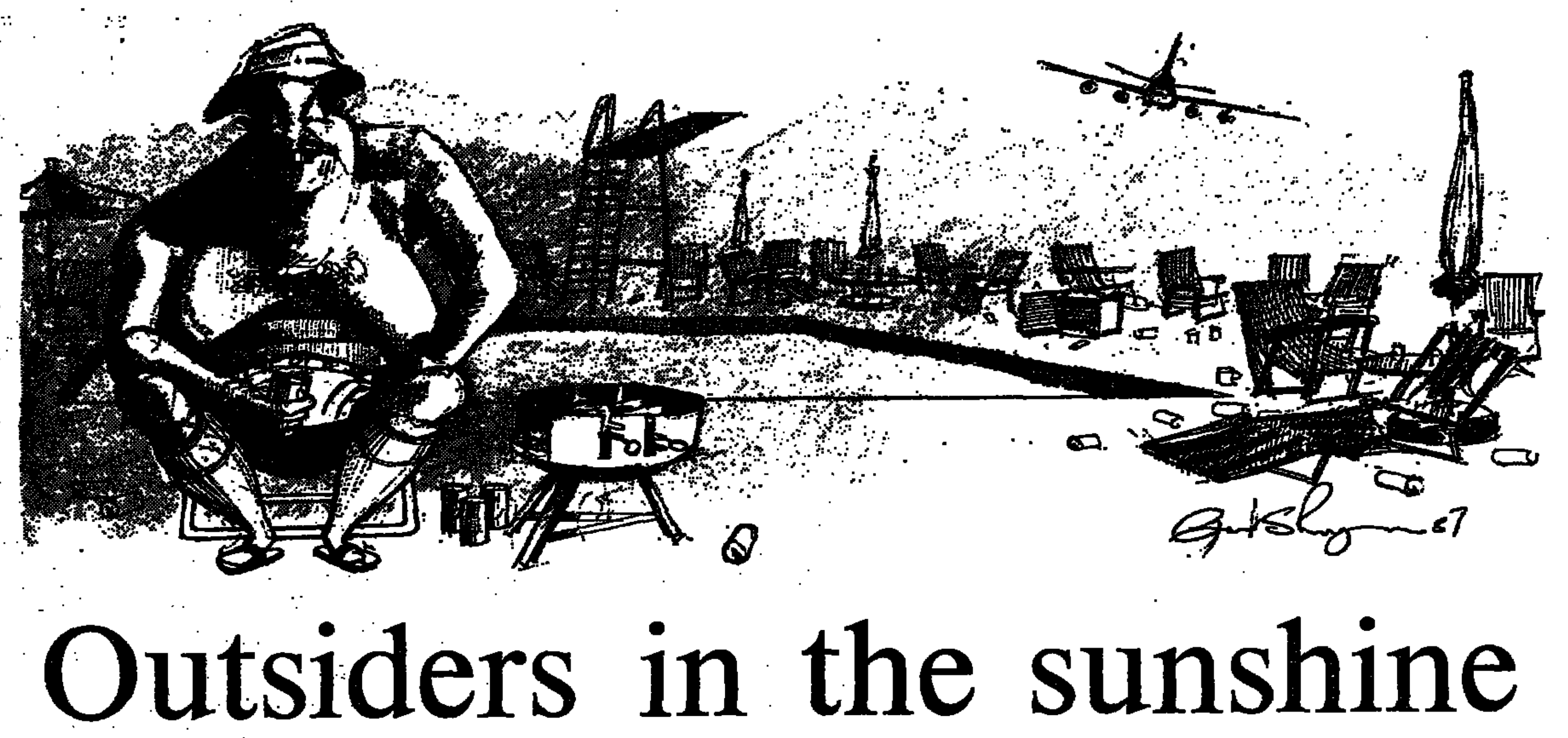
The MPAT project has not been assessed by the Scottish Office, although the Government stands ready to provide any help that may be requested, including financial assistance. The Scottish Development Agency has not been involved with the project.

Sir Monty, a Scot, was approached some weeks ago by influential business and community leaders in Scotland to try to find a solution to the problem of the Caterpillar plant.

The MPAT project appears set to overcome the two stumbling blocks that have so far thwarted a solution: the workers' sit-in, and Caterpillar's refusal to countenance the use of the plant by any operator in the earthmoving equipment field. The entry of MPAT could pave the way to other operators becoming involved in the plant.

WEEKEND FT

Saturday April 25 / Sunday April 26 1987



Outsiders in the sunshine

Black-ruled Zimbabwe is seven years old this month. But whatever happened to the white Rhodesians? asks J.D.F. Jones

THE SALISBURY — sorry, the Harare — Club seems scarcely to have changed over 25 years of white rebellion, civil war and black independence. True, there is a brass plaque over the bar, next to the memorials for two world wars, recording the death of half a dozen members "as a result of the hostilities, 1972-79." And gentlemen are now permitted to remove their jackets in the dining room that looks out over the jacarandas of Cecil Square. Across the way are the white walls of Parliament where Ian Smith, MP was finally suspended this month after unrepentent disparagement of the system for the seven years since Robert Mugabe took over as Prime Minister.

Nor does Harare itself seem so very different from the Salisbury it was. The shops appear almost as short of stock as they were in the 14 years between Smith's Unilateral Declaration of Independence — resulting in international sanctions — and the real thing: school pupils still wear old-fashioned English uniforms and straw boaters, although most of the children are now black; the residential suburbs are still extensive, affluent and beautiful although they can be confusing these days because the old colonial street names — Livingstone, Rhodes, Speke and so on — have had their signposts stolen by departing white souvenir hunters.

Not unexpectedly, most of the old-style white Rhodesians have gone and their successors, the white Zimbabweans, are in subtle ways a different kettle of fish. Their life style has not changed as greatly as they might have feared, but their aspirations, their satisfactions, their worries and concerns, their sense of role in their own country, have turned topsy-turvy. And, of course, their numbers have been transformed—although no one can be certain how much.

Their life style has not changed all that greatly but nearly everything else has turned topsy-turvy

In their heyday early in the 1970s, just before the civil war got serious, 275,000 whites lived in Rhodesia. That figure might now be as low as 80,000—certainly no more than 100,000. (One reason for this imprecision is that a lot of people, particularly youngsters, go away not as "emigrants" but on "holiday"; thus, their disappearance will not show up officially until the next census).

This is a colossal exit, but not in the least surprising. Most travelled either to South Africa or via the Republic. Dramatic numbers ended up in Australia, especially around Perth; fewer came back to Britain or went elsewhere in the Commonwealth, like Canada or New Zealand.

The whites who left can probably be divided into various categories—those who had not been born in the country; the young men who carried the brunt of the pre-independence fighting; the artisans, the police, and the lower-paid and less-qualified, people who realised their jobs would be taken over by blacks. Then, of course, there were those white Rhodesians — many of them — who could not stomach the loss of their racially related seniority. But there were also specific financial factors influencing individual decisions on whether to go or stay. Now, it looks as if the white population will drift gently down until it stabilises at a level not much higher than that of Kenya, where the 50,000 whites have adjusted rather well to a new role in a black society.

Who, then, are the white Zimbabweans seven years after independence? In crude summary, they fall into four main groups.

First, there is the older generation. They are the ones most obviously "trapped" by their own affluence but also with stronger sentimental reasons for staying and less reason to fear losing jobs or career prospects. Their incentive to remain is compounded by the fact that when you emigrate from Zimbabwe, you are allowed to take out only Zm$1,000 plus certain personal effects. Your assets must be invested in government bonds that pay only 4 per cent.

After six years, you can send for one-sixth of your capital, a withdrawal that may be repeated for the next six years. But any attractions in this arrangement have been soured by the steady decline of the Zimbabwean dollar, which is now worth about half what it was in 1981 and is certain to go much lower. (The thousands of Rhodesian pensioners who left the country are suffering similarly although pensions have been remitted scrupulously, including to South Africa). The point is evident: a good proportion of the whites in Zimbabwe cannot afford to leave, even if they want to.

Then, there are the farmers. They have been the stars of the post-independence years, the backbone of the economy. There are now about 4,500 white "commercial" farmers, plus their families; in other words, most have stayed on — and not only because it is impossible for them to take their land or its cash value with them.

One of the most striking things about Zimbabwe today is that there is so little talk of peasant land hunger, "resettlement" of blacks on white land, "squatting," and tension on the farms. The government's ressettlement programme, which was one of its main policy planks and where British aid has been focused particularly has been a disappointment with only 40,000 families transferred so far compared with the target of 162,000 by 1984. Yet surprisingly, it does not seem to be a matter of political crisis (remember that the war was, in the last analysis, supposed to have been fought for the land which the whites annexed at the turn of the century).

Third, there is the private sector. It became obvious at independence that there was going to be no place for whites in the public sector and many civil servants left. Others — including some very senior people — transferred to the private sector. The result has been an irritating degree of inefficiency in the civil service, although this was inevitable given the policies of earlier white governments.

Fourth, there are the "new" white Zimbabweans — people who were probably born there and love the country as their own. They have lost much of the racialism of their predecessors, although they still do not mix much socially, as opposed to professionally, with blacks. They may have considered — and even tried — living elsewhere (some of them went to South Africa for a time but couldn't take it), and have now made a considered decision to commit themselves to Zimbabwe, for better or worse. No-one can be certain about the numbers of this group but they are important for the future.

Put these four groups together; add the so-called "expatriates" — who have been imported on short-term contract to perform specific jobs in a Third World economy, and who are sent home again as soon as the immigration authorities believe a Zimbabwean can cope — plus the disproportionately large number of diplomats and associated types, and you have a white population which is edging towards the Kenya model.

The unresented presence of whites in the country is surely an achievement after the bitterness of a racial war that killed 30,000 people. Extraordinarily, too, there is scarcely any evidence that these whites, who inevitably are "fat cats" in comparison with the black average, are resented. One explanation must be that there are plenty of black fat cats in today's Zimbabwe; their conspicuous presence is probably even more likely than that of the whites to provoke envy. One of the ironies of seven-year-old Zimbabwe is that Mugabe's socialism has been conspicuous for the emergence of a black middle class.

But what of the quality of life of these reconstituted Rhodesians? The sun still shines. The servants are ubiquitous. The roads and services are (almost) as manicured and efficient as before. Certainly, the economy is in difficulties, but life is by no stretch of the imagination uncomfortable. The choice of goods and brand names in the shops is limited but these are people who lived with sanctions; they can cope. And if they cannot get non-Zimbabwean wine or a particular toothpaste or even a new car they have had time to work out next-best solutions. They keep telling you that it is still a wonderful life — and they mean it.

Zimbabwe, in short, is shaping up as a country with an affluent minority, who, by and large, are happy to be there, ruled by a black socialist government which, by and large, is happy to have them.

There is, though, an obvious political dimension to all this. For the past seven years, the Constitution negotiated at London's Lancaster House in 1979 has guaranteed whites — who cast about 30,000 votes in the 1985 election, compared with the 3m common roll votes—20 of Zimbabwe's 100 parliamentary seats. Mugabe promised in 1979 to respect the arrangement and has done so, in spite of the provocations of Smith and his colleagues in the Rhodesia Front (now renamed the Conservative Alliance).

From this month, however, Mugabe is constitutionally entitled to abolish the entrenched white seats if he can muster 70 votes in the House — and his Government has made it clear that it intends to do so. The result would, in the first instance, be in effect to disenfranchise the whites until the next general election: their 20 MPs would have to leave Parliament at once, probably to be replaced by a "nominated" list drawn up by the Government and voted by the entire House.

In the second instance, the whites would be assimilated into the full common roll — an entirely democratic move but one that would confirm their relegation to utter political insignificance (or so they will see it) — an emasculation made scarcely more acceptable by the probable appointment of one or two white cabinet ministers.

However, it is hard to find any whites who are either startled, or even concerned, by this imminent scenario. They have, it seems, used the seven-years interim to adjust to their political demise. A very few have joined the ruling Zanu party, but as a symbolic gesture of national identification rather than a political enrolment. Rather more whites are anxious to demonstrate by their actions that they are committed to a black-majority Zimbabwe and a lifetime citizenship.

(This question of citizenship has proved a bit awkward. The Government, which disapproves of dual nationality, has required whites to choose whether or not to take out Zimbabwean citizenship. Most people understand the problem — and the consequences of declining — and have handed in their "foreign" passports. But since you cannot give up your right to a British or whatever passport, the renunciation was not always as painful or as final as the Government intended. Hence, too, a lot of business for the "passport lawyers").

What we have, then, is a small group of wealthy whites — fewer than one in 100 of the total population — many of whom are passionately fond of their central African country and are anxious to live their lives there in spite of the economic disadvantages and the administrative inefficiencies. They accept that they have no hope of a political role in their country, know that civil liberties are going to remain under pressure and are not yet clear if they are truly intended by a socialist and egalitarian Government to operate the commercial and agricultural capitalist sectors. Most of them do not have more than the faintest insight into, or information about the tribal and ideological politics that lie behind the public facade of national unity; they are, therefore, in the dark about the prospective stability of their own Government. This ignorance, coupled with their lack of influence, must raise doubts about their own security.

There are indeed perils inherent in their situation as whites in southern Africa. When Mozambique's President Samora Machel died in a plane crash last October amid (unfounded) suspicions of white involvement, there was an anti-white riot in Cecil Square, just past the Harare Club. It was not a particularly big or violent riot by today's standards, but it continues to worry white Zimbabweans out of all proportion.

They have no hope of a political role and know that civil liberties will remain under pressure

It has to be assumed — at least, most Zimbabweans do — that the situation in South Africa will continue to deteriorate. Most Zimbabweans assume their country will be drawn into the consequences of this conflict — through sanctions, cross-border retaliation or other ways — over the next generation. If for example, Mugabe introduces sanctions against South Africa, the quality of life inside his country is bound to suffer dramatically. And when the South African Government is challenged, it has shown it will strike back.

The lines and terms of conflict will be drawn on racial distinctions — how else? White Zimbabweans, having chosen to stay on, will have to ask themselves if their acceptance of black rule is enough to assure their security. When white and black are locked in combat south of the Limpopo, will the white Zimbabweans be allowed, unchallenged and undisturbed, to live their comfortable lives in the sunshine?

The Long View

Polarisation—a flawed concept

The life assurance industry has used the cover of a new regulatory system—ostensibly designed to protect investors—to protect the existing entrenched interests within the sector, says Barry Riley

THE Securities and Investments Board (SIB) has won its battle with the banks and the Office of Fair Trading over so-called polarisation. But the arguments are not over forever; nor should they be, because the concept is fundamentally flawed.

New readers starting here need to know that polarisation in this context is nothing to do with dark-lensed spectacles but is all about forcing the people who sell life assurance and unit trusts to adopt one of two distinct business styles.

Either your insurance man must be an independent broker, selling any and every company's products without fear or favour; or he must be a direct agent for a single company, and he must sell only that company's policies (making this clear to his clients).

Fair enough, you might say. But from the way the banks and building societies have been complaining, you will deduce that the commercial stakes are high and the odds are not evenly balanced.

What has happened, in fact, is that the life assurance industry has cunningly used the cover of a new regulatory system, ostensibly designed to protect investors, to protect the existing entrenched interests within the sector.

This is not to suggest that investor protection has been entirely neglected.

What they will not be able to look forward to, however, is better value for money in the provision of services, and the harnessing of modern retail techniques to the selling of pooled investment products such as life assurance and unit trusts.

Sir Gordon Borrie, director-general of the Office of Fair Trading, reacted to the SIB's proposals by expressing concern that not only would the banks be inhibited from developing their services, but that independent intermediaries might lose out seriously to company salesmen.

Judging by the fact that a number of life companies have thought it necessary to mount a campaign to boost the independent brokers (who now face extra regulatory costs) his worries are at least partly shared within the industry.

To such criticisms, the SIB has tended to react with hurt incredulity. "Could the SIB be so overwhelmingly wrong?" it asked rhetorically when formally responding last month to Sir Gordon's criticisms.

The answer is that a biased proposal was almost bound to emerge from a body so dominated by practitioners as the SIB

Despite its growth this pooled savings sector remains, in an important way, a cottage industry. A sole practitioner can still be very successful. There are many thousands of small intermediaries but few national brokers of any size (and there will be fewer still when several of the banks are forced to wind up their broking arms).

There is a strange contrast between the principles being applied by the SIB to business in pooled products and in other kinds of investments business, such as in listed securities.

While polarisation is being imposed in life assurance, elsewhere the Stock Exchange's Big Bang has brought the barriers tumbling down.

If the polarisation logic were pursued, banks (and other securities firms) would not be able to give advice on equities and, at the same time, deal off their own books. In practice, they are being allowed to do this, subject to certain safe guards.

But then, opening up the securities markets has been deemed to be in the national interest. The resistance of the old stock market practitioners was brushed aside by the Government and the Bank of England. The insurance market practitioners, however, are turning out to be a tougher proposition.

Now, I hold no particular brief for the banks. They are nobody's idea of the fiercely competitive consumer-orientated organisations which could revolutionise value for money in consumer finance. Their high returns on consumer loans are the envy of foreign banks—turning National Westminster, for instance, into one of the world's most profitable lending institutions.

All the same, they have big branch networks, they are in an excellent position to harness the rapid advances in technology, and they already have a much more efficient retail delivery system than the insurance companies and their archaic networks of small intermediaries.

Not that there is necessarily anything wrong with small firms of advisers. In a field where a personal service and the tailoring of schemes to individual needs counts for a great deal, they are always going to be important.

After all, the best of the small delicatessens and local convenience grocery stores thrive alongside big supermarkets. But the latter have grabbed most of the food trade, and it would not have been in the public interest to prevent them from using their advantages of buying power and efficient distribution just because the less adaptable small grocers were being forced out of business.

Financial supermarkets, it appears, are different. Their interests have, naturally enough, been completely ignored by the insurance industry. Polarisation has been adopted as a regulatory solution because it has enabled insurance brokers and salesmen to avoid statutory disclosure of their commissions and charges to their clients.

Such disclosure would frighten some clients off entirely and send many others looking for better bargains elsewhere — an unfortunate prospect for a profession which has been more used to seeing competition act in its favour through rises in commission rates as insurance companies have sought to gain more business through the most effective intermediaries.

There is a lot of money at stake. Life assurance commission alone is running at £1.5bn a year. I suspect that the SIB's victory this week will prove to be far from permanent because the commercial pressures to find a way around the polarisation regulations will be very strong.

It might not be the banks that crack the system—it could be some retailer or conglomerate that the insurance lobbyists haven't thought of. But, one day, polarisation will be pushed back into sunglasses where it belongs.

• CONTENTS •

Arts: London's new Theatre Museum	XXIII
Books: Queen Victoria's human face	XXII
Finance: Investments for children	VI
Motoring: Estates and their virtues	X
Property: Putting timeshare to rights	XII
Travel: The road to the Isles	X

Arts	XXIII	Finance & Family	IV/VII	Sport	XXIV
Books	XXII	Food	XX	Stock Markets	
Bridge	IV	Gardening	XX	London	II
Chess	XXI	How To Spend It	XXI	New York	III
Crossword	XXIV	Motoring	X	Sweden	III
Diversions	XX, XXI	Property	XI, XII	Travel	X
				Wine	XXI

•MARKETS•

Caught in two minds

IT HAS been a schizophrenic week in London, with two very different personalities trying to mould the mood of the markets. One has worn an international economic hat, an attire prompting periodic outbreaks of nervousness-cum-depression; the other a British hat, producing fits of optimism, even euphoria.

There was no mistaking which sentiment was in the ascendant yesterday as the FT-SE 100 index leapt upwards in response to the Prime Minister's hints of a very early election and this week's raft of opinion polls showing the Tories far in front of the opposition. The FT-SE index closed last night at 2,001.5 up 52.1 on a week ago, with the FT Ordinary at 1,580.9, *up 25.7 on the day.*

Before the bulls' eyes was a tantalising vision of the outlook for Britain: a resounding Tory victory in a June election; sterling continuing to remain strong (the Bank of England had to intervene this week to stem its advance on the back of the opinion polls), leading to a politically helpful downward twist to interest rates; a gilts rally; and equities underpinned by a sustained growth in industrial earnings of around 15 per cent over the next year or so.

But this picture could be too rosy by half. Admittedly, the run of UK economic news has been good of late, and there are no obvious major clouds on the horizon; but a June election, and a Tory victory, are still not certain.

Even if they were, there remains the international dimension. This gave a rather gloomy tone to the market at the start of this week when London reacted to Wall Sreet's anxiety about the weakness of the dollar, fears of a rise in the US discount rate, and trade friction with Japan.

None of these issues is about to go away—witness the nervousness which has led this week to a continued rise in the price of gold to a four-year high—and London cannot be immune from all this.

London

So, the interaction of these domestic and foreign forces leaves a lot of scope for City analysts to differ. One of the *most bullish* is Warburg Securities, which yesterday issued a circular predicting an election rally in equities and gilts, accompanied by renewed foreign buying which could take the FT All-Share index as high as 1,060 by the end of June.

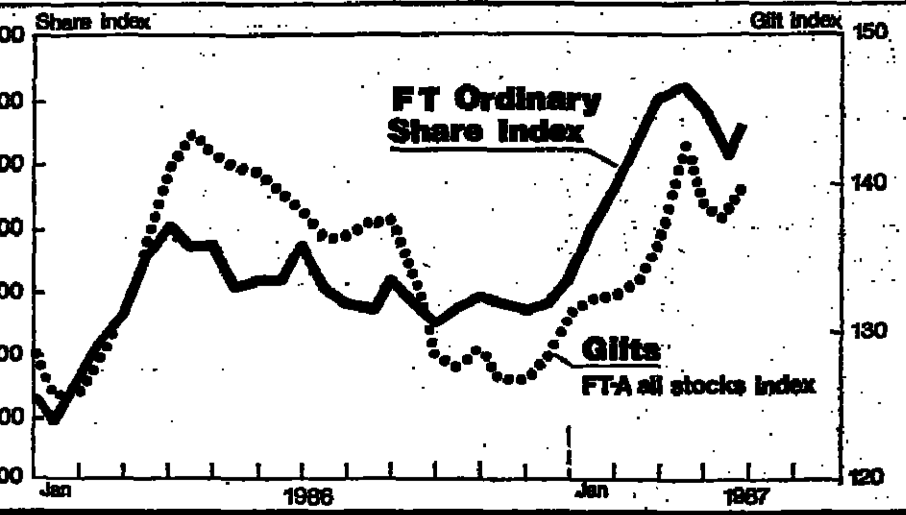
The City has also had a somewhat schizophrenic air this week in relation to one of those issues of principle which from time to time divide the establishment. This battle revolves around pre-emptive rights—the rights of existing shareholders in a company to have first refusal on any new shares being issued so as to prevent a dilution of their stake.

For several months, big institutional investors had been girding themselves for battle over the growing tendency for companies to over-ride this principle by large placings of shares abroad. Over the past two weeks, they have pounced. First, Fisons, the pharmaceuticals and chemicals group, was forced to abandon plans for a £110m international share placing because of institutional opposition. Then, this week, C. H. Beazer, the building group, halved its planned £80m issue of shares in the US.

Pre-emption rights are protected in UK law but the institutions have usually allowed companies some leeway, with guidelines (now being revised) permitting occasional issues of under 6.67 per cent of issued share capital and 5 per cent of authorised capital. The Fisons and Beazer issues would have been above this level.

As fate would have it, both companies have County Bank, the merchant banking arm of National Westminster, as adviser; and on Wednesday it hit back, arguing that UK companies should be allowed to make equity offerings of up to 10 per cent of authorised capital without giving existing shareholders a right to apply for them.

It also rounded on the institutions for suddenly leaping on Fisons and Beazer when a succession of large issues from other companies had gone through with no apparent opposition.



County's intervention was both unusual for a merchant bank and rather curious in its logic—why should a 10 per cent limit be intrinsically any better than 5? But despite its heavy-handedness, County won a degree of sympathy from other securities houses, which argue that the institutions are flying in the face of the internationalisation of the securities markets and are preventing British companies from taking best advantage of this.

There is an element of far-from-lofty self-serving on both sides of the debate. The banks enjoy lucrative commissions *from these international placings* while the institutions traditionally have enjoyed fairly effortlessly-earned fees for sub-underwriting rights issues. But on ground of equity alone, the balance of the argument lies with the existing shareholders—and, as this week has shown, so also does the balance of power.

Six months ago, amid the initial upheaval of the Big Bang, many securities houses were dismissing pre-emption rights as an anachronism. But not now.

Meanwhile, the week saw a mixed crop of company results. Shares in Laura Ashley, the textiles group, fell slightly despite a 25 per cent increase in full-year pre-tax profits while Bank of Scotland turned in a 24 per cent increase, at the top end of expectations.

The Guinness affair rumbled on. The company announced it was making a £125m extraordinary write-off to cover the costs of "unusual transactions and arrangements" made last year in connection with the £2.5bn takeover of Distillers. Guinness also announced results for the combined group for the 15 months to December, showing pre-tax profits of £355m.

It is far from clear where all this leaves Guinness as a business. The write-offs may be on the conservative side—although £40m of them have not been fully elucidated—and the trading position is obscured by a year-end change.

The message that Guinness would like the market to take on board is that the murky past *is behind it* and the fundamental strengths of the business and its new management offer a bright future. But the company still faces the threat of suits for damages arising out of the bid, which cannot be quantified. And until the brew becomes clearer, only the brave *are likely to buy the stock.*

Martin Dickson

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated				
Ang Nordic Hldgs¶	31½*‡	32	23½	2.99	Smidth (F. L.)
Apex Prop	135*§	130	145	14.54	Rainsworth Tst
Avana Group	800†§	794	480	279.36	RHM
Brit Car Auction¶	230§	227	236	179.74	Hawley Group
Browns (C.) Car Parts	318*	311	270	18.96	Woolworth Hldgs
Centrovincial Ests	443	315	278	69.54	Gilbert House
Chamberlain Phipps	171	154	130	62.05	Wardle Storeys
Comcap	599	589	515	127.95	Atlantic Computer
Crown House	311	299	235	84.19	Colorall
Dataserv	166	178	200	54.67	Bell South Corp
Debron Invs¶	72*§	71	49‡‡	17.05	Interface O'seas
Exco Intl¶	345§§	350	203‡‡	307.78	Brit & Comm
Europn Ferries¶	145	140	231	335.94	P & O
Garner Booth	242	236	248	23.41	Pittard
Gould (L.)	186	173	180	3.85	Robertson Res
Hillards	313½	329	223	154.64	Tesco
Home Farm¶	192½	195	113‡‡	8.99	Sutherland (E. T.)
Horizon	211§	188	164	105.28	Bass
Imp Cont Gas	700*	720	653	995.00	SHV
Imp Cont Gas	710*§	720	710	1.0bn	Tractebel GBL
Intl Leisure	200*	194	178	103.28	Hudson Pl Invs
Johns Bros End	445*§	560	428	9.50	Bugge Kind A/S
London & Nthn	95½	93	80½	106.24	Evered
London Pk Htls	833	819	700	41.78	Mount Charlotte
Miles 33	645	622	333	30.31	UEI
Mitchell Somers¶	253	253	222½	40.78	Eagle Trust
Municipal Props	£34½§§	£25	£24	16.70	Merivale Moore
Nationwide Leis	77½*	77½	77	8.30	Inspec E. & E. Grp
Norcros	442	414	396	549.25	Williams Hldgs
Peerless	198†	199	175‡‡	25.75	Newman-Tonks
Sarasota Tech	244	225	107	42.08	Peck Hldgs
Scott Greenham	248	237	195	71.94	BET
Standard Secs	288	278	240	33.21	Local London
Superdrug	701	677	490	245.70	Woolworth Hldgs
Thermax¶	182	223	175‡‡	21.18	Heywood Wms
Trade Prom Servs¶	293§	293	251	17.08	EMAP
Utd Leasing	265*	260	231	38.28	Inspectorate KAE
WSL Hldgs	212	203½	203	44.94	Granada

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ *Unconditional.* ** Based on 2.30 pm prices 24/4/87. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ||| Loan stock. ‡‡ Suspended.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
APV Baker	Dec	27,500	(4,680)	52.5	(23.8)	19.0	(11.7)
Ashley Laura	Jan	22,450	(16,840)	7.2	(6.3)	2.2	(1.0)
Automotive Prod	Dec	7,400L	(5,100)	—	(—)	—	(—)
Ayrshire Metals	Dec	267L	(760)	—	(9.7)	0.5	(2.0)
Bank of Scotland	Feb	118,500	(90,060)	—	(—)	20.5	(16.8)
Bosse Massimi	Dec	5,100	(3,900)	18.9	(15.6)	5.7	(4.5)
Captl & Regional	Dec	132	(293)	0.5	(—)	—	(—)
Clayform Prop	Dec	5,020	(2,590)	—	(—)	7.5	(5.0)
Clrke Nckls Coms	Dec	693	(381)	18.1	(5.2)	6.3	(6.3)
Denistron	Dec	443	(957)	1.9	(4.5)	1.1	(1.0)
Eastern Produce	Dec	9,050	(8,930)	46.3	(40.4)	10.0	(10.0)
EIS Group	Dec	7,000	(5,520)	20.5	(18.6)	7.5	(6.7)
Ellis & Goldstein	Jan	3,710	(4,060)	8.1	(8.1)	2.6	(2.4)
Etam	Jan	12,260	(12,050)	14.7	(14.3)	4.7	(4.2)
Evered	Dec	10,580	(7,870)	24.8	(18.1)	5.0	(3.5)
First Charlotte	Mar	87	(92)	0.06	(0.07)	0.05	(0.05)
Great Southern	Dec	1,630	(1,260)	12.3	(9.5)	—	(—)
Guinness†	Dec	355,000	(—)	36.3	(—)	14.0	(—)
Hartons	Dec	2,540	(1,890)	3.2	(3.3)	1.6	(1.3)
Hestair	Jan	7,300	(4,100)	18.1	(10.6)	4.5	(3.8)
Intl Bus Comm	Dec	1,860	(760)	7.0	(5.2)	3.0	(—)
Juliana's	Dec	765	(713)	—	(—)	2.5	(3.0)
Lilleshall	Dec	372	(172)	16.4	(6.4)	2.2	(2.2)
London Utd	Dec	15,809	(5,060)	52.0	(28.1)	20.0	(13.4)
Marshall T.	Dec	1,250	(1,120)	16.1	(15.9)	4.6	(3.6)
Mayborn	Dec	2,390	(1,490)	10.0	(6.0)	—	(—)
Micro Focus	Jan	320L	(2,790)L	—	(—)	—	(—)
Miles 33	Feb	1,200	(780)	18.6	(13.9)	—	(—)
Neill James	Dec	4,529	(4,023)	13.0	(23.9)	7.3	(7.0)
Newman Ind	Dec	5,500	(3,100)	2.1	(0.7)	1.3	(0.8)
Parrish J. T.	Jan	548	(—)	8.5	(—)	—	(—)
Petrocon	Dec	1,140L	(1,220)	—	(8.5)	2.0	(6.0)
Platignum	Jan	275	(301)	—	(—)	—	(—)
Reed Austin	Jan	6,100	(5,040)	14.1	(12.9)	6.5	(5.5)
Spear J. W.	Dec	511	(884)	7.3	(12.3)	6.0	(6.0)
Sunlight Services	Dec	6,580	(5,200)	20.0	(18.4)	10.0	(9.0)
Taye & Co	Dec	400	(365)	—	(—)	5.0	(3.7)
TV AM	Jan	8,700	(1,740)	26.2	(15.6)	—	(—)
WA Holdings	Jan	1,020	(366)	2.6	(0.9)	1.0	(0.1)
Whatman Reeve	Dec	6,760	(5,610)	19.3	(14.2)	3.1	(2.4)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Camotech	Feb	89	(96)	0.7	(—)
Chrysalis	Dec	5,040	(2,420)	2.0	(2.0)
Cosalt	Mar	563	(523)	1.5	(1.2)
Fleming Japanese	Mar	44	(676)	—	(0.5)
Keystone Invest	Mar	605	(443)	2.0	(2.0)
KwikSave	Feb	21,760	(18,580)	2.1	(1.8)
Low William	Mar	3,440	(3,020)	5.0	(4.5)
Ossory Estates	Dec	168	(13)L	—	(—)
Share Drug	Feb	1,130	(85.1)	1.1	(0.9)
TR Australia	Feb	590	(761)	1.0	(1.0)
Vaux	Mar	7,300	(6,030)	4.7	(4.1)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share, except where otherwise indicated. L Loss. † Figures for fifteen months.

RIGHTS ISSUES

Vaux Group—To raise £60.8m through a one for five rights issue and the issue of £25m debenture stock, shares will be offered at 470p.

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS

Cambridge Isotope Laboratories—USM placing of 2.79m shares at 55p.
Deeflex—Stock market quotation, placing 3.49m shares at 135p.
Select Agency—USM placing valuing the company at £12m.
UCL Group—USM placing which will value the company at £9.98m, 1m shares will be offered at 125p.

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1987 high	1987 low	
FT Ordinary Index	1,580.9	+40.6	1,625.2	1,320.2	June election speculation
Attwoods	295	+29	295	217	Revived bid speculation
Babcock Intl.	219	+30	221	180	Sizewell prospects/vague bid talk
Bank of Scotland	491	+41	491	395	Better-than-expected interim figures
British Gas	97	+5	98½	65¼	Japanese buying interest
British Vita	415	+31	415	292	Chairman's encouraging statement
Cluff Oil	105	+16	105	20	Press comment/gold interests
Ferguson (J.)	94	−16	113	89	Re-listed after long suspension
Gold Mines Kalgoorlie	513	+108	568	145	Bullion at 4-year high
Jaguar	584	+27½	632	533	Record first-quarter sales
Lloyds Bank	534	+56	540	440	Japanese plan to aid world debtors
MEPC	414½	+36½	414½	336	Persistent investment demand
Marks & Spencer	230	+21	239	182	Comment ahead of May 6 results
Mercantile House	344	+25	406	297	Recovery after prolonged weakness
Minty	940	+475	940	360	Recommended consortium bid
Morgan Crucible	359	+30	359	309	Comment on growth prospects
RTZ	958	+55	958	699	Weak dollar boosts metal prices
Savage	338	+63	345	134	Acquisition of Douglas Kane
Wellcome	419	−23	521	232	Awaiting Tuesday's interim figures
Whessoe	102	−28	134	92	Rationalisation moves

Sugar gets sweeter

SUGAR REFINER TATE AND LYLE, which earlier this week was given clearance to buy Ferruzzi's 24 per cent stake in British Sugar — though not to bid for the remainder — produces its interim results for the half-year to June on Wednesday.

Two increases in the price of sugar during the second half of calendar-1986 should have enabled the UK refining operations to show a marked improvement over the comparable period, when they only just managed to break even. Canadian refining and Western Sugar are also thought to have done well.

On the negative side, RSI in the US has suffered from severe pressure on margins and Redpath Industries, in which Tate and Lyle has a 50 per cent stake, turned in a disappointing—performance earlier this week. Overall, the outcome seems likely to be between £40m and £42m compared with £36.1m last time.

Reports of a boom in the British building industry are good news indeed for UK market leader TARMAC. Its unique position of being involved at almost every stage of the process — from quarrying to construction — will pay dividends when results for 1986 are announced on Tuesday.

Results due next week

Analysts' expectations, although tempered slightly by the probability of a disappointing showing by *operations in* Florida and Texas, are pitched about £5m either side of £170m, compared with £135m last time.

As well as the growth emanating from the buoyant volume housing market, the Government's commitment to repairing UK infrastructure will have done no harm to Tarmac's road-building and repair activities. The acquisition of Lone Star late last year will have a minimal effect on these figures but makes good sense in the long term.

AZT, the Aids treatment drug produced by WELLCOME, has attracted much publicity bu the effect on Tuesday's interim results is likely to be negative.

Sales of the drug have been minimal and it has been distributed free for trials. At the same time, R & D and capital spending has been stepped up — *in November, Wellcome* announced plans to spend up to £20m on new manufacturing plants in the UK and US.

The increase in pre-tax profits—*forecast* to rise from £64.2m in the six months to March 1986 to £75m in the same period this year — will come largely *from* buoyant US sales of drugs such as Zovirax, the herpes treatment.

The results will be helped by reduced losses from Coopers Animal Health, a joint venture with ICI. But with about 70 per cent of profits coming from the US, exchange rate movements will have a significant dampening effect.

There is no great secret over the pre-tax figure TESCO will be unveiling on Wednesday for *its year to February.* Embroiled in its bid for the Hillards stores group, Tesco has already forecast £166m compared with £122.9 last time.

The increase is a healthy one. Much of it will have resulted from a shift in the sales mix towards higher-margin products — all those delicatessen counters, for example— but there will also have been productivity gains, and volumes in existing stores are thought to be up by 4 to 5 per cent.

That said, most interest at the moment is focused not so *much on the figures but on* whether Tesco will improve its offer for Hillards before the second closing date on Friday.

VIRGIN'S stock market debut in November proved initially to be as successful as founder Richard Branson's first attempt on the Blue Riband — the shares started life at a discount to the tender price of 140p and have hardly been a stunning investment since.

Figures for the six months to end-January are expected on Thursday and should show pre-tax profits of about £15m.

Most of Virgin's profits are attributable to its record business, and a buoyant Christmas period should have helped its retail side.

Contributions from the expanding Vision division — only last week, Virgin acquired Rushes Postproduction for £6m —*could well be ahead of previous* expectations.

TOOTAL, the threads and textile group, is striving to reduce its reliance on traditional textile manufacturing operations but the change is not likely to have much impact on Tuesday's results.

A modest increase in pre-tax profits from £27.3m in the year to January 1986 to £30m this year is forecast, but this could *rise to £38m for the year to* January 1988. The group has been investing heavily in the UK and has also made acquisitions at home and abroad.

A sharp turnaround in South-East Asia will enable INCHCAPE, the overseas trading group, to unveil substantially increased profits of £80m when preliminary figures are announced on Monday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDEND				
Barr and Wallace Arnold	Tuesday	2.0	6.0	2.0
Boot Henry and Sons	Friday	1.0	5.0	2.0
Centreway Trust	Wednesday	—	—	—
Chepstow Racecourse	Monday	—	1.0	—
CI Group	Thursday	0.4	0.5	0.4
Clarkson Horace	Thursday	2.0	—	—
Conrad Holdings	Thursday	—	2.5	1.0
Costain Group	Wednesday	6.5	10.5	7.0
Dalyn Packaging	Wednesday	1.0	2.0	1.0
Dencora plc	Monday	2.0	—	—
Downiebrae Holdings	Wednesday	0.5	1.0	0.5
Ex-Lands	Tuesday	—	0.6	—
Farnell Electronics	Monday	1.0	1.2	1.3
Foseco Minsep	Wednesday	2.9	6.0	2.9
Framlington Overseas Income	Wednesday	1.0	1.2	1.0
Gee Cecil	Wednesday	—	2.8	—
Highcroft Investment Trust	Thursday	0.9	1.2	1.0
Inchcape	Monday	7.1	11.0	7.1
MacDonald Martin	Wednesday	1.5	7.2	2.0
Martin Ronald	Monday	—	0.6	1.6
Menzies John	Monday	1.3	2.7	1.5
Moss Bros	Tuesday	1.7	4.0	1.8
Noble and Lund	Wednesday	0.3	0.3	0.3
Ropner	Tuesday	4.0	2.5	4.0
Scott and Robertson	Tuesday	0.9	1.8	1.0
Shiloh	Wednesday	1.0	1.7	1.5
Slingsby H.C.	Wednesday	1.2	2.8	1.2
Systems Reliability	Thursday	1.5	3.5	1.7
Tarmac	Monday	2.2	7.2	2.4
Tesco	Wednesday	2.1	3.7	2.5
Tootal	Tuesday	1.5	2.5	1.8
Viking Resources	Monday	0.5	1.4	0.5
Virgin Group	Tuesday	—	—	—
Walker Greenbank	Tuesday	—	0.7	—
Walker J. O. and Co.	Wednesday	1.0	3.0	2.0
INTERIM DIVIDEND				
Allied London Property	Monday	0.2	1.6	
Ensign Trust	Tuesday	0.2	0.7	
Gleeson M. J.	Thursday	1.6	4.3	
Govett Strategic Invest.	Thursday	1.3	2.6	
Jessups	Wednesday	1.5	3.0	
Lowland Investment	Monday	1.2	2.4	
Lyles S.	Monday	2.7	3.0	
National Home Loans Corp.	Tuesday	0.7	1.1	
North Atlantic Securities	Friday	1.0	2.4	
Prestwick Holdings	Monday	0.5	—	
Rodime	Thursday	—	—	
Shell T and T	Monday	13.5	29.5	
Telbex Group	Wednesday	—	—	
Tate and Lyle	Wednesday	8.0	15.0	
Utd Spring & Steel	Wednesday	0.5	1.5	
Wellcome plc	Thursday	—	1.3	

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

TV-am hogs the USM limelight

TELEVISION HAS stepped into the spotlight in the last year or so. After years in the doldrums the independent television industry has finally succeeded in persuading the stock market to take it seriously, and the share prices of the ITV companies have soared in consequence.

The USM has shared in the sector's success. Central, Television South and Tyne Tees began their publicly quoted lives on the second market. TV-am and Border were new recruits last year. Central and TVS have long since departed to the main market and Tyne Tees plans to follow suit.

But it is TV-am which is generally regarded as the star of the second market stocks and this week it unveiled its first set of publicly quoted results. The results were excellent. The *breakfast station has broadened* both its audience and advertising profile in the past 12 months. TV-am fared well, *even by the industry's own* standards last year. While the ITV network benefited from a boom of more than *20* per cent in advertising revenue the breakfast station lapped up growth of more than 40 per cent. As a result, turnover leapt by 42 per cent to £41.9m and pre-tax profits by 80 per cent to £8.7m.

Junior Markets

The surge in profits came as no surprise to the City. The only imponderable hovering over the figures was just how high an increase TV-am—which like every other television company is under the eagle eye of the IBA—would deem politic.

Revenue is still roaring ahead in the current year. TV-am hopes to add an extra fillip by increasing its airtime by 15 minutes, beginning broadcasts at 6 am rather than 6.15 am. The board is also busily chalking up brownie points for the next franchise review by investing in news facilities.

The only problem for the station is that its tax charge—negligible until now as a legacy from the ill fated "Famous Five" and their "mission to explain"—is starting to rise. The company should pay taxation of between 15 to 20 per cent in 1986/87 and a full tax charge thereafter.

TV-am's shares, which have all but trebled in value since the flotation, last week faltered at this prospect. But the market may be unduly pessimistic. With projected profits of £11m or so, media analysts anticipate further growth in the station's earnings per share —and its share price.

The outlook for Tyne Tees *and Border is rather less rosy.* Although all the television stations benefited from the buoyancy of revenue last year, some fare better than others. The "baby" regional stations, especially those in the north, saw advertising slip away into the clutches of the large companies in the affluent south.

That trend has continued into the current year. Moreover, network revenue *is* markedly less buoyant. Border has already signalled that profits could suffer as a result. Its pre-tax profits are expected to fall from £704,000 to under £600,000 for the year to April 30. Its shares, which had more than doubled from 37p since their introduction in December, have now slipped to just over 60p.

Meanwhile Tyne Tees should see a slackening of profits *growth in 1987 with a modest* rise from £4.2m to about £4.5m. Its shares—hoisted by the news of a move to the main market and the enfranchisement *of* non-voting shares—have doubled since the start of the year. But they faltered last week to around 440p.

The frenetic rise in television shares has come to an end, but the sector is still at a substantial discount to the stock market as a whole and media analysts, like Bronwen Maddox of Kleinwort Grieveson, are confident that there is more growth to come.

Alice Rawsthorn

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 27%	45%	60%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	4.00	4.07	3.07	2.23	monthly	1	—	0-7
High interest cheque	6.20	6.35	4.78	3.48	quarterly	1	1,000-4,999	0
High interest cheque	6.60	6.76	5.09	3.70	quarterly	1	5,000-9,999	0
High interest cheque	7.00	7.19	5.42	3.94	quarterly	1	10,000 minimum	0
BUILDING SOCIETY†								
Ordinary share	6.00	6.09	4.59	3.34	half yearly	1	1-250,000	0
High interest access	7.75	7.75	5.84	4.25	yearly	1	500 minimum	0
High interest access	8.00	8.00	6.03	4.38	yearly	1	2,000 minimum	0
High interest access	8.50	8.50	6.40	4.66	yearly	1	5,000 minimum	0
High interest access	8.75	8.75	6.59	4.79	yearly	1	10,000 minimum	0
90-day	8.75	8.94	6.74	4.90	half yearly	1	500-9,999	90
90-day	9.00	9.20	6.93	5.04	half yearly	1	10,000-24,999	90
90-day	9.25	9.46	7.13	5.18	half yearly	1	25,000 minimum	90
NATIONAL SAVINGS								
Investment account	10.00	7.30	5.50	4.00	yearly	2	5-100,000	30
Income bonds	12.25	9.53	7.18	5.22	monthly	2	2,000-100,000	90
33rd issue‡	7.00	7.00	7.00	7.00	not applicable	3	25-1,000‡	8
Yearly plan	7.00	7.00	7.00	7.00	not applicable	3	20-200/month	14
General extension	7.50	7.50	7.50	7.50	quarterly	3	—	8
MONEY MARKET ACCOUNTS								
Money Market Trust	7.11	7.24	5.45	3.97	half yearly	1	2,500 minimum	0
Schroder Wagg	6.97	7.20	5.42	3.95	monthly	1	2,500 minimum	0
Provincial Trust	7.85	8.14	6.13	4.46	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS§								
7.75pc Treasury 1985-88	8.83	6.71	5.30	4.13	half yearly	4	—	0
10pc Treasury 1990	9.03	6.38	4.61	3.13	half yearly	4	—	0
10.25pc Exchequer 1995	9.11	6.45	4.68	3.20	half yearly	4	—	0
3pc Transport 1978-88	6.48	5.64	5.08	4.62	half yearly	4	—	0
2.5pc Exchequer 1990	6.74	6.01	5.52	5.11	half yearly	4	—	0
Index-linked 1990¶	6.72	6.17	5.80	5.50	half yearly	2/4	—	0

* Lloyds Bank. † Halifax. ‡ From May 1; special facility for extra £5,000. § Source: Phillips and Drew. ¶ Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

• MARKETS •

Not for the nervous

WIDOWS and orphans step to the side. The message coming out of Wall Street's erratic behaviour this week is that this market is for the professionals, and only those with nerves of steel should be prepared to bet heavily on whether its next big move will be up or down.

On Tuesday, the Dow soared by 66 points, its second-biggest daily gain. The next day it slumped by 51 points, its fifth-worst decline, as investors blew hot and cold about the stock market outlook, the free-fall of the dollar, and the "bloodshed" in the bond market which has suffered its worst collapse in years.

Meanwhile, Wall Street's social, as opposed to investment, analysts have had plenty of material to mull over this week. On Thursday, a seat was sold on the New York Stock Exchange (NYSE) for a record $1m; and Ivan Boesky, the former "king" of the speculators in takeover stocks, pleaded guilty in a crowded Manhattan court to giving the Securities and Exchange Commission false information.

A year ago, Boesky might have been the top bidder for the NYSE seat, but now he is the star witness in the US Government's rapidly-growing investigation into Wall Street's shady business practices. For the past six months he has been implicating many famous names in the financial community in a desperate bid to keep out of jail, and there could be a few more seats for sale on the NYSE after he has been fully "debriefed" by the US Government's attorneys.

There was some speculation that the mysterious Japanese buyer who paid $39.9m for Van Gogh's "Sunflowers" painting in London last month might have splashed out for a seat on the "Big Board" but it was

Wall Street

apparently a small New York firm. Some gloomy observers noted that this was far more than the $625,000 paid for a seat on the stock market in 1929 — the year of the "great crash."

Judging by the bullish comments of the NYSE's spokesman, we are unlikely to see the day again when a New York taxi medallion costs more than a seat on the exchange, as was the case in the mid-1970s. "There is a great deal of demand right now, which seems to imply that we have reached the strongest level of optimism in our history about the strength and future of the NYSE," said a spokesman for the Big Board.

Despite such brave statements, the events and dramatic price movements of the past few weeks have left many investors decidedly nervous. The good news is that the stock market has held up surprisingly well given the slump in the bond market, where long-term yields have risen 100 basis points to more than 8.5 per cent over the past month, and a weak dollar, which yesterday morning touched yet another record low of yen 139.05 against the Japanese currency.

The main worry is how much longer the stock market can ignore the news elsewhere in the economy. At first sight, this week's report that the US economy grew by 4.3 per cent in the first quarter looked bullish; but analysts said it was an aberration and the economy was still growing more slowly than expected.

The strength of the gold price, which rose above $460 an ounce yesterday, has highlighted worries that the rate of inflation is beginning to accelerate. Meanwhile, the drop in the value of the dollar, notwithstanding heavy central bank intervention, is raising fears that the Fed may be forced to tighten monetary policy to save the dollar, which could in turn puncture this year's growth.

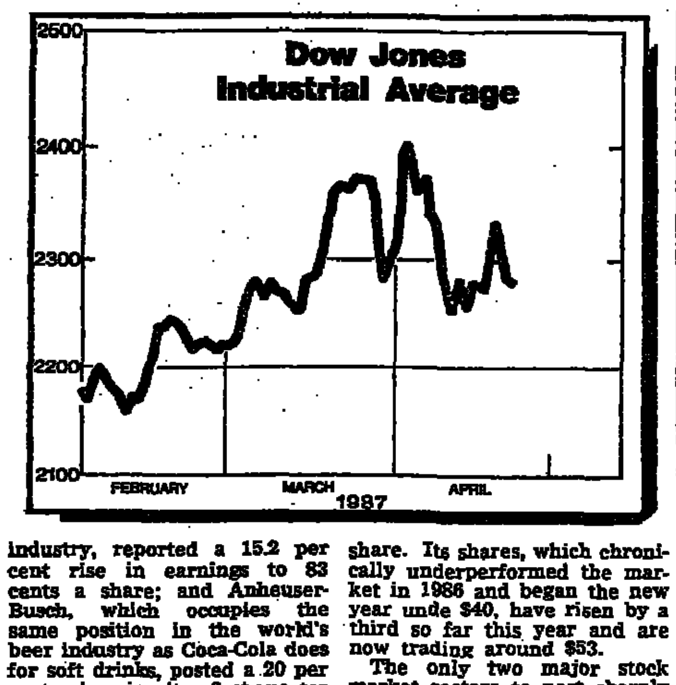
The main item of good news for the stock market this week has been the steady stream of strong first-quarter earnings releases. Among the major US drug stocks, Bristol-Myers, Smithkline Beckman and Schering-Plough posted profit increases of between 1-8 per cent and 26 per cent.

In the less-glamorous sector of the market, McDonald's, the king of the world's fast food industry, reported a 15.2 per cent rise in earnings to 83 cents a share; and Anheuser-Busch, which occupies the same position in the world's beer industry as Coca-Cola does for soft drinks, posted a 20 per cent rise in its first-quarter earnings to 42 cents a share.

Anheuser-Busch's share of the US beer market has climbed to an astronomical 40.6 per cent, but the group's impressive performance has been clouded recently by the departure of several senior executives after allegations of improper conduct.

Sears Roebuck, the slumbering retailing and financial services giant, appears to be shaking off its history of stagnant profitability and posted a stellar 47 per cent rise in first-quarter earnings to 75 cents a share. Its shares, which chronically underperformed the market in 1986 and began the new year unde $40, have risen by a third so far this year and are now trading around $53.

The only two major stock market sectors to post sharply lower first-quarter earnings were the US money centre banks and the big oil companies. They blamed their Brazilian loans and volatility in the oil markets, respectively, but analysts believe the worst is over for both sectors and their earnings should improve over the rest of the year.



MONDAY	2,270.60	— 5.39
TUESDAY	2,337.07	+66.47
WEDNESDAY	2,285.94	—51.13
THURSDAY	2,280.97	— 4.97
FRIDAY		

William Hall

Golden days return

IT IS difficult to be a prophet of gloom around the Johannesburg Stock Exchange these days. The indices are churning to new highs almost daily and the gold share market has decided that recent history can safely be ignored.

Crumbling gold mine profits of this year's March quarter were an aberration, and the mines' earnings already promise to be better than they were in the last two quarters of 1986—so why worry about the March quarter's reversal?

Sooner, rather than later, the gold price will move through the $500 an ounce mark, according to Johannesburg pundits. And for a while

Mining

that will provide the country's mines with their best-ever revenues. In recent years, the South African rand has been reasonably consistent in the way it has accommodated to shifts in the gold price and costs on the gold mines.

On the whole, the rand/dollar exchange rate has tended to adjust so that the gold mining industry's average rand cost of producing each ounce of gold has been about half the rand revenue earned from each ounce. In last year's December quarter, the mines received an average of R933 for every ounce of gold they produced against the R468 average cost of each ounce.

The relationship fell apart in the March quarter. Rand gold prices dropped by 10 per cent or more and costs per ounce were around 5 per cent higher. The squeeze was unbearable for some mines and at least two, Western Areas and Durban Deep, stumbled into losses. East Proprietary Mines (ERPM) increased its working loss more than fourfold.

Johannesburg investment analysts believe the situation has already been reversed. Certainly, the present rand gold price is again almost twice the industry's average gold production cost, and the price cost relationship seems set to improve.

The South African Reserve Bank (SARB) seems determined to hold the external value of the rand pretty tightly in the region of $0.50. That is the level which will provide the trade surpluses needed to service and repay foreign debt, and it is an exchange rate that will push gold's rand price cost ratio back over 2:1.

Everyone, then, is counting on a complete reversal of the March quarter's profit collapse. The trick this quarter will be to spot the mines that run into labour problems ahead of the mid-year black wage increases.

Last quarter, faction fighting between Xhosa and Basotho workers made a shambles of mine planning at Anglo's Freegold property, but did not have the obvious effect on costs and production. The mine simply made up the losses of underground ore by feeding additional surface dump material to the mills, and managed to increase the quarter's mill throughput.

The net result was a reduction in the unit cost of mining and processing each tone of ore, although this did not offset the inevitable grade drop.

At Western Areas and Randfontein, production was hit by go-slows and stoppages by black miners protesting at retrenchments arising from the mines' mechanisation programmes.

This quarter's scheduled wage talks will be tough—the all-black National Union of Mineworkers (NUM) has kicked off with demands for increases of 40 per cent across the board.

Of course, the NUM will be fairly circumspect — it is not prepared to give the Government any legal excuse for union-busting. But, share prices shouldn't crack, Johannesburg brokers believe, as long as American investors remain happy with the yields on South African stocks.

Jim Jones in Johannesburg

	Gold produced (000 oz)		After-tax profit (R millions)		Earnings per share (cents)	
Quarter to	Mar '87	Dec '86	Mar '87	Dec '86	Mar '87	Dec '86
ANGLO AMERICAN						
Elandsrand	85.46	95.65	22.5	48.2	23.6	31.1
Ergo	71.89	73.14	29.6	35.7	21.1	30.7
Freegold	829.69	830.11	226.5	213.8	73.0	82.2
SA Land	13.54	14.76	1.2	2.2	13.3	26.6
Vaal Reefs	633.79	609.42	134.1	201.6	432.4	636.9
W. Deep Levels	305.72	300.10	79.3	109.0	150.5	173.3
ANGLOVAAL						
E. Tvl Cons	28.8	28.2	9.29	14.95	83.2	57.3
Hartebeest	257.9	257.1	62.63	69.72	34.8	42.7
Loraine	67.6	68.4	10.01	15.32	38.5	73.8
GENCOR						
Beatrix	90.2	114.8	18.99	39.16	13.0	54.7
Bracken	21.3	22.7	2.46	3.04	10.9	19.7
Buffelsfontein	138.5	163.0	13.08	37.28	104.3	242.9
Grootvlei	42.9	47.7	3.88	9.97	29.5	79.1
Kinross	99.4	85.6	18.82	16.10	69.9	77.9
Leslie	27.8	28.3	2.93	3.31	11.1	19.9
Marievale	7.3	8.4	0.09	1.13	0.0	16.5
St Helena	66.8	66.8	14.33	23.70	33.8	97.1
Stilfontein	58.8	64.7	1.82	18.16	(2.5)	118.5
Unisel	66.6	72.1	12.64	17.73	38.6	49.4
W. Rand Cons.	32.0	30.3	1.52	2.97	16.1	28.5
Winkelhaak	102.5	111.6	30.69	39.03	83.6	118.9
GOLD FIELDS						
Deelkraal	62.69	61.49	22.93	31.40	13.5	22.3
Doornfontein	67.07	69.43	16.83	16.69	47.1	69.4
Drie Cons	490.46	484.19	113.26	129.71	85.5	93.9
Kloof	243.06	232.71	89.20	96.53	31.4	27.3
Libanon	69.46	64.33	16.11	15.07	135.6	77.6
Venterspost	51.41	51.41	5.27	7.80	82.5	118.2
Vlakfontein	8.17	8.56	0.74	0.79	(13.3)	6.4
GOLDEN DUMPS						
Cons. Modder	21.1	20.1	8.0	9.0	12.3	26.8
South Rood	7.9	6.9	2.1	1.8	2.7	4.2
Springs Dagga	0.6	nil	(0.2)	nil	(4.3)	nil
JCI						
Randfontein	222.8	224.2	99.16	99.19	679.3	297.9
Western Areas	114.7	132.2	7.01	29.50	(3.1)	28.5
RAND MINES						
Blyvooruitzicht	95.3	101.5	13.87	17.41	40.6	53.4
Durban Deep	56.1	56.8	1.10	5.57	(135.3)	(152.6)
ERPM	68.6	73.9	(16.29)	(3.81)	(385.8)	(299.1)
Harmony	217.4	218.2	31.73	49.46	37.8	61.2

Earnings are calculated after capital expenditure and loan repayments.
Figures in parentheses are negative.

Winter blues fade away

"THERE IS too much money swilling around, and the only place to put it is the stock market just now." That was how one broker accounted yesterday for Stockholm's series of all-time highs over the past month.

The Veckans Affaerer Total index burst the 1,000 mark on Thursday, closing at 1008.0—its sixth record high so far this month. The index has risen by 11.8 per cent since the beginning of the year and looks as though it has recovered from its January mid-winter blues.

What this particular broker was complaining about was the dearth of new issues — he thought it was about time Handelsbanken and Pharmacia took the plunge.

Money and optimism have come in generous helpings recently. The savings and commercial banks have benefited from the recent decision to allow the man-in-the-street to increase his tax-advantaged savings in the Swedish funds known as *Allemansfonderna*.

Normally, savers can only put in up to SKr 800 a month, but in the second quarter they were allowed to make an extra deposit of SKr 5,000 in an effort to encourage some hard saving rather than a reliance on easy credit.

The savings and commercial banks netted an extra SKr 500m or so in the first 10 days of April as a result, and the money went straight into the market.

The insurance companies have also been big players. Last year, the Government decided to introduce a one-off tax (7 per cent on total assets) aimed at the private life insurance and pension companies. The tax was meant to raise SKr 15-18bn for the Government and was widely denounced as "an unfair means of confiscating capital."

Ironically, the wave of publicity that surrounded the new tax seems to have increased public awareness of the savings plans.

In addition, there has been a 20-50 per cent increase in

Sweden

premiums for home and car insurance, and that extra money has also found its way onto the bourse.

On top of this, the economic forecasts have been optimistic. The Swedes say that April is traditionally a good month for the stock market, anyway, because it is the season for full-year forecasts and dividend payouts—which this year have been high, totalling about SKr 10bn in one analyst's estimation.

It has also been a time for Swedish companies to look further than their own back doorsteps when it comes to acquisitions. "Sweden is such a small market, there's no room to expand," said a broker. A lot of the big concerns have pointed their telescopes overseas in the past few weeks.

Boliden, the mining, metals and chemicals concern, bought part of Allis Chalmers of the US: Swedish Match turned to Wilkinson Sword; Electrolux strengthened its stance in kitchen manufacturing by buying Thorn EMI's white goods and commercial appliances division; Atlas Copco turned to the US for Chicago Pneumatic; and Aga set its sights on France with an official bid for Duffour et Igon.

The real darling of the market was Ericsson, which heard on Thursday morning that it had beaten AT&T of the US and Siemens of West Germany in the competition for CGCT. Although originally the outsider in what one analyst called "a contest for an extraordinary can of worms," Ericsson had teamed up with Matra of France and pulled off the hat-trick.

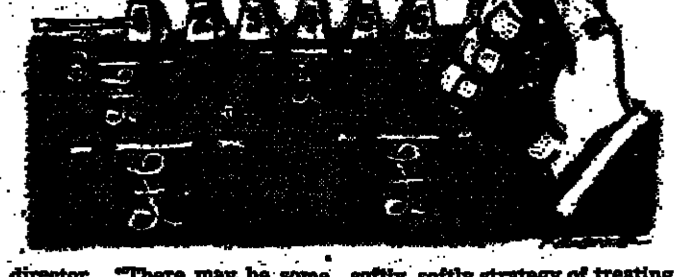
The market had caught wind of Ericsson's impending success and its shares showed hectic trading in the preceding days. Turnover in Ericsson B free shares was about SKr 38m on both Tuesday and Wednesday, climbing to SKr 47m on Thursday. The B free share price rose to SKr 302 on Thursday, having closed last week at SKr 275.

On a less savoury note, the market has not escaped from insider trading. The Bank Inspection Board said that eight former members of the Fermenta management were suspected of using inside information for their own financial gain in trading Fermenta shares last year.

Sara Webb

Alice Rawsthorn reports that caution is replacing opportunism

Now for the tough part



"IT STARTED off as a race but it's turned into a marathon," groaned Ted Williams, of the Prudential. "And the second lap is going to be much, much harder than the first."

For the past six months Williams, together with colleague Trevor Pullen, has been pitting the Pru's investment skills against those of five other teams of top fund managers to raise money for charity in the Great Investment Race.

Having led the field at the start of the race, the Prudential has spent the past few months jostling for the lead with Fidelity. In recent weeks Fidelity has crept ahead, boosting its portfolio to £164,513 compared with the Pru's £152,989.

But the whizziest team recently *has* been *Hoare* Govett. Having fallen behind in the early stages, it has recovered lost momentum *through* opportunistic trading to become the third team to increase its portfolio above £100,000.

The race began late in September when each team was given £35,000 by Prudential Unit Trust Managers, the race's sponsor, to invest for a year. At the end of the race, the profits will be donated to charity by Charity Projects, the organiser.

The first half of the race was run in clement conditions at a time when stock markets sailed to apparently effortless heights all over the world. But the omens are less auspicious for the second half as the markets slip into a bearish mood.

Fidelity, the leading team, has changed its tactics accordingly. In the opening months it favoured an opportunistic approach . . . swinging its capital in and out of speculative stocks to reap the rewards of risk investment.

Having boosted its portfolio, Fidelity now intends to opt for caution and the investment policy has become more conservative. It holds more than *£100,000 in* cash and *has* divided the rest between two Japanese equities: Mitsui Real Eastate and Toa Domestic Airlines. Both depend on the domestic economy and neither is likely to fall victim to trade warfare.

The Prudential Portfolio Managers team has suffered from the weakness of the London stock market in the past month or so. The Pru continues to favour its policy of assembling a core portfolio of UK equities and splicing it with short-term trading on the financial futures market. And it is still hard on the heels of Fidelity.

"We have made some nice profits from financial futures," says Williams, a senior fund manager. "But some of our UK stocks — particularly Tay Homes and Media Technology —*suffered alongside the whole* market. The market will continue to be volatile, at least until after the election. There should be lots of oportunities around . . . especially in futures."

Undeterred by the bearish mood, Hoare Govett has roared ahead. By swapping its timid policy at the start of the race for the sort of aggressive stance favoured by Fidelity in its early *days, it has boosted its portfolio* by more than 50 per cent to £104,958 in the past three weeks alone.

Hoare Govett roams all over the world for its investments. The portfolio is now composed of equities from the US, Australia, and even the UK. It is still committed to speedy dealing . . . sometimes buying and selling in the space of a day.

Another laggard of the early days, Messel, has recovered lost momentum in recent weeks. Messel underestimated the strength of the markets at the start of the year, but is now making up for lost time with a series of speculative investments. Its portfolio, up almost 30 per cent in the past three weeks, is now worth £57,467.

Like the Pru, Messel favours dabbling in the futures market to complement its core portfolio of equities. Unlike the Pru, it buys and sells on a short-term basis. The Messel portfolio is now spread far afield with stocks in Norway, Canada, the US and the UK.

Nomura, by contrast, has reduced the level of investment activity in its domestic Japanese market. "We are still confident that the Tokyo Stock Exchange is on an upward trend," says *Fenichi Fukuhara, the executive* director. "There may be some *form of correction, but nothing* major."

The Nomura portfolio has slipped to £53,624 in the past three weeks. Although the team has a substantial holding in the technology stock, Nippon Business Consultants, it has large *cash reserves. Fukuhara is now* scouting about for new investment opportunities, but the emphasis of the portfolio will change.

"In the first half of the race, we concentrated on blue chip stocks," he says. "But even blue chips without overseas interests have suffered from the threat of a trade war. We will look for stocks which will benefit from regeneration of economic growth, probably housing and defence-related companies."

Whether the stock market flourishes or falls, Bell Lawrie *is determined to cling to its* softly, softly strategy of treating the race *investments* like any other growth portfolio.

Thus far, caution has not paid off. Bell Lawrie has slipped back to trail the *field* with a portfolio worth just £48,915. Its investments are concentrated on UK equities. Occa*sionally, it trades individual stocks* — the team pocketed a profit by selling its stake in Wellcome last week — but intends to maintain a *fairly* stable portfolio.

"Only one thing is certain in equities at the moment. The stock market will move up and down until after the general election," says Derek McIntosh, managing director. "When conditions are so volatile, we prefer to be cautious. We may not win the race but we are determined to have made lots of money for charity at the end *of it all.*"

HOW THEY STAND

1 (2)	Fidelity	£164,513	+17
2 (1)	Prudential	£152,989	− 3
3 (3)	Hoare Gvtt	£104,958	+54
4 (6)	Messel	£57,467	+29
5 (4)	Nomura	£53,624	−15
6 (5)	Bell Lawrie	£48,915	+ 3

Source: The WM Company

Unit trust war

THE BATTLE by unit trust groups to woo building society investors continues. Latest entrant into the fray is Wardley, part of the Hong Kong banking group, with the launch of an International Income Trust which aims to provide a high yield (estimated at 6 per cent gross a year) plus some capital growth. Net income will be distributed half yearly, and a low annual management charge of *0.75 per cent* will be deducted from capital.

The trust will invest in high yielding equities worldwide, as well as *in* government securities, bonds and convertibles. It is hoped that the combination of regular income, plus scope for capital growth as well, will appeal to first-time investors who currently have their money safely locked away in building societies.

Minimum investment is £1,000. During the launch period until May 18, there will be a fixed offer price of 25p a unit and a sliding discount scale of up to 2 per cent depending on the amount invested. The initial front load charge is the standard 5 per cent bid-offer spread.

★

SENTINEL LIFE is continuing its policy of making no initial *front load charge with its latest* product — a single premium investment bond called Master Strategy Managed Portfolio. As usual, you don't get something for nothing. Instead of the front load charge, there is an additional administration charge of 1 per cent imposed during the first five years over and above the annual managemen fee of 0.75 per cent. In addition, there are surrender penalties for withdrawal from the fund during the first five years on a sliding scale starting with 5 per cent in the first year. You will, however, be able to withdraw up to 7.5 per cent of your investment each year, free of any surrender penalties, if you require income.

There are generous founder investor bonuses available during the pre-launch period until June 9. The extra bonus allocations vary according to the amount invested, and the time when the investment is made. If you invest more than £25,000 before May 12 you are *given the maximum* bonus allocation *of* 5 per cent. The minimum bonus of 0.5 per cent is given for investments of between £1,500 and £4,999 between May 28 and June 9.

The Portfolio is a discretionary fund aimed at investors who want the managers to decide the precise "mix." It will have three unit-linked specialist funds — UK Top 100, European Special Situations and Far East Emerging Economies, as well as a Money Fund to be used for tactical reasons.

★

FOUR managed funds are to be launched on May 20 by Sovereign Unit Trust Managers of Bournemouth of the TAC Corporation which also owns Teachers Assurance and Public Officers Assurance Service.

There are three growth funds —one UK and two overseas — each with a minimum investment of £500 or a regular savings plan starting at £20 a month. There is also an income fund with a minimum of £2,000. It will have an estimated *annual yield of* 5 per cent, with income distributed half yearly. During the pre-launch period there will be a fixed unit price of 50p and free units depending on the amount you invest. There is the standard 5 per cent initial charge, plus a high annual management fee of 1.25 per cent.

★

LEGAL & GENERAL is offering a 1 per cent discount on its European unit trust until May 31. Minimum investment is £1,000. The fund has had a below average performance since being launched in September 1985, but the company says there are "increasing signs of *confidence* in the European stock markets."

John Edwards

Sunny investment

UNIT TRUST groups, in their desire to find something new to appeal to investors, have recently "discovered" developing, or emerging, countries. Several funds have been launched, using the basic argument that since these countries are so far behind the industrialised world, they have much *greater* potential for advancement and faster underlying economic growth. So why not get in on the ground *floor?*

EBC Amro, the UK unit trust subsidiary of the big Dutch banking group (Amsterdam-Rotterdam Bank) has added an extra twist by creating a fund to capitalise *on* the emerging markets in Europe's backyard—Greece, Turkey, Portugal and Spain.

The fund is called the Mediterranean Growth Trust, but *it* is not quite as *risky* as it sounds. *The idea is* to reduce the risk involved in going into small, illiquid markets with few stocks by spreading the fund *and also maintaining part of the* portfolio in more established markets like France and Italy, where Amro has strong existing connections. To begin with at least, only 5 per cent each will go into Turkey and Greece, 10 per cent into Portugal although 40 per cent will be invested in Spain.

Jane Swinglehurst, marketing director of EBC Amro, is quite honest about it. The original idea was to add to the company's specialist country funds (Dutch, French and Switzerland) with a Spanish unit trust. But it was thought the Madrid market was "too *immature*" *for a specialist* fund, so the investment area was broadened out to include emerging as well as established markets. It has apparently been a lengthy business to set up the contacts needed to dabble in markets, like Greece and Turkey, which have only just been re-established and have limited liquidity and number of stocks available.

Last year Spain was the top performing market in terms of sterling gains, and although many gains made earlier this year have been wiped out, EBC Amro is confident it will move ahead again.

Investment director Hein Coolen says that to succeed in *Europe* these *days* you have to be more selective and choose markets with the right fundamentals. He believes Spain and the other "Mediterranean" countries are growing faster as they seek to catch up with the more established economies in north Europe and, therefore, have a *bigger* potential.

Jane Swinglehurst

It is obviously not a fund for widows and orphans, bearing in mind the risks involved in dealing in emerging markets. But as Hein Coolen put it: "Once you've seen a bandwagon, it's too late to jump on." Who would have *thought* of Italy and Spain, as top performing markets only a few years ago

Minimum investment in the new *fund is £500. During* the launch period until May 18, there will be a 1 per cent discount. Initial front load charge is *5* per cent, and the annual management fee is 1.25 per cent, justified, says EBC Amro, by the work involved in dealing in these markets and making sure the fund doesn't get over-exposed.

John Edwards

Curb on insurance selling

PAUL CHANNON, Secretary of State for Trade and Industry, approved proposals that will restrict the sale of life assurance policies, unit trusts and personal pension products by banks and building societies.

Despite strong opposition from interested parties, including the Office of Fair Trading, the Minister this week backed the so-called "polarisation" rules put forward by the Securities *and Investments* Board (SIB) that salesmen offering these products must either be representatives selling the products of one particular company or they must be truly independent in making their recommendations.

In future all salesmen including bank and building staff dealing with life assurance and unit trust sales, must be one type or the other and must make *their status* clear at the outset.

However, SIB has had to pay the price for getting its polarisa*tions proposals accepted. It has* amended its rules on the disclosure of commission.

Clients will have the right to ask independent intermediaries to disclosure the amount of commission they expect to receive from selling a particular product.

Under the present rules an independent intermediary is required to disclose verbally to his client the expected commission received at the time of making a recommendation. The actual commission paid is disclosed to the client by the life company when he receives the cooling-off notice after the sale.

However, if the life company recommended is operating under an industry commission *scale*, then the *intermediary* needs only to disclose the fact and where the client can obtain a copy of the scale. This *is known as "soft"* disclosure.

Otherwise, for companies operating outside an industry scale, full disclosure of the actual commission must be given. This is known as harsh disclosure.

SIB is now amending its rules so clients can ask the intermediary to reveal the amount of commission, thus converting soft disclosure into harsh disclosure. In principle, nothing much *has changed*.

The client always had the right to ask for the amount of commission to be given and to *get an answer under the con*duct of business rules, which state that intermediaries must always give an answer to a direct request for information.

However, the amendment of the SIB rules not only makes it easier for the interested client to get the amount of commission disclosed. It also highlights that this particular right is available.

Independent intermediaries are wary of harsh *disclosure for* two reasons. First, the client, on seeing the size of the commission payment, could decide that all intermediaries are on the make and not go through with the sale. Or the client might start bargaining to have at least some of the commission rebated.

However, most consumers buying life assurance or unit trusts are unlikely to be aware of their rights to commission disclosure, let alone to exercise them. One can be certain the intermediaries will not remind *clients of these rights.*

Company representatives are not affected by hese disclosure requirements. It is considered *sufficient simply to disclose* their status since then the consumer will be expected to understand that the sallesman is paid *for his service.*

Independent intermediaries, and the life companies backing them, are no longer prepared to accept this situation. They are going to insist that company representatives must somehow be prepared to provide the equivalent disclosure, if asked.

Whether these new rules will achieve their objective of an highly trained ethical sales force giving value for money to a satisfied public remains to be seen.

Eric Short

BRIDGE

IN HIS interesting book, Clues To Winning Play (Gollancz, £8.95), D. L. M. Roth advises you, whether you are declarer or defender, to ask yourself what is going on round the table before you make a vital play. Look first at this suit contract:

N
♠ 6 3 2
♡ Q 10 4
◇ A K 5
♣ K 9 5 2

W
♠ 9 7
♡ 7 6 5 3
◇ 10 3
♣ J 10 8 7 6

E
♠ Q J 10
♡ A K 9 8 2
◇ Q J 8 4
♣ Q

S
♠ A K 8 5 4
♡ J
◇ 9 7 6 2
♣ A 4 3

With East-West vulnerable, North dealt and opened with one diamond. East overcalled with one heart, South said one spade, and went four spades after a single raise from his partner.

West leads the six of hearts, East wins with the king and switches to the queen of spades. How do you propose to play? You *must* assume a break in trumps—if they are 4—1, you have no chance. Now consider diamonds. If they are 3—3, you have no problem; but, in case they are 4—2, which means that you must ruff one in dummy, your timing must be precise.

You take with your king of spades and at once duck a diamond. East wins and returns the queen of clubs. You win in hand, cash the ace of spades and the two diamond honours, and set up a trick in hearts by a ruffing finesse against East. You ruff your remaining diamond on the table, discard a losing club on the 10 of hearts, and concede a trump to East.

You have made your contract, but would you have done so without that careful consideration of the problems facing you? I think you might have gone one down.

Let us see how you get on with *this* no trump contract:

N
♠ Q 5 4 3
♡ Q 10 8 6
◇ K J 9
♣ J 9

W
♠ 10 9 6 2
♡ K 5 3 2
◇ 8 7 5
♣ Q 3

E
♠ J 8
♡ A J 9 4
◇ Q 10 4
♣ 6 5 4 2

S
♠ A K 7
♡ 7
◇ A 6 3 2
♣ A K 10 8 7

Sitting South at a love score, you deal and bid one club (Precision, 16 + points). North replies with one spade, announcing 8-10 balanced points, and you rebid one no-trump.

This bid asks for further information. Your partner says two hearts and you jump happily to three no trumps. West's opening lead is the two of spades. Now plan your campaign.

Note that four clubs are enough for contract — you can afford to lose one club. Do you, then, win the spade lead in dummy and finesse the knave of clubs? Certainly not. Hearts spell danger. You could lose four tricks in the suit, but only if West makes the first lead; if East leads first, the defence cannot take more than three tricks.

Win the spade with your king and do your best to keep West from obtaining the lead by cashing ace and king of clubs. Your excellent technique is rewarded when West's queen drops on your king. Now you sail home with an overtrick, and your partner's parrot-cry of "Well played" is on this occasion justified.

The fact that only a heart from West can be fatal would *not* occur to the average declarer — can you look me in the eye and say you thought of it?

E. P. C. Cotter

Weighed in gold

"WHEN markets finally stop going up, gold is something investors will wish they had more of." This is the view of Brian O'Neill, manager of Gartmore's Gold Share unit trust, which tops the most recent one-month performance figures with an offer-to-offer gain of 36.73 per cent.

Seven out of the 10 top performers in March were gold trusts and a further two, Save & Prosper's Exploration, and Commodity Share funds, were heavily weighted towards the gold sector. Over one year gold units have also done well, with four specialist trusts plus, again, S & P Exploration, in the top 10.

This is the second performance burst from the sector in just over six months, after several years of the metal seeming to have lost all its legendary glitter. Has gold now moved into a different and more promising phase?

Hugh Twiss of Save & Prosper, who manages the Exploration and Commodity Share funds, believed in the "uncertainty scenario" which has been affecting world markets increasingly since the start of the year. The apparently ineffectual deliberations of the Group of Five, rumblings of renewed inflation, and now the threat of a US-Japan trade war have been the latest manifestations.

He also sees the continuing bull market, the US deficit, and the lack of improvement in Third World debt problems as unresolved difficulties, all of which will tend to keep gold to the fore. As far as he is concerned, the "uncertainty scenario" is "still not fully unfurled yet."

"Weight of money" is another term being bandied about in connection with gold. In other words, the gold market is sufficiently small enough that if a tiny percentage of the world's wealth switched in its direction could make prices rocket.

Top 10 unit trusts over one month/one year to April 1, 1987

One month (offer to offer)	% growth	One year (offer to bid, income reinvested)	% growth
Gartmore Gold Share	36.73	Waverley Aust. Gold	139.39
M & G Gold & Gen.	34.69	S & P Exploration	112.86
Schroder Gold	26.86	Gartmore Gold Share	96.59
Royal Trust PPT Gold Share	26.68	M & G Aust. & Gen.	96.23
S & P Exploration	26.42	MIM Britannia Gold	94.66
Royal Trust Income	23.05	Abbey Commod. & En.	90.93
MIM Britannia Gold	23.01	Fidelity SE Asia	90.51
Target Gold	22.41	Sentinel Intl. Gth.	89.62
Waverley Aust. Gold	20.70	Sun Life FE Gth.	88.92
S & P Commod. Sh.	20.17	Schroder Gold	88.74

Source: Opal

Japanese investors may have a role to play here, as they do in other markets. As Willie McLucas, manager of the Waverley Australasian Gold trust, points out, the performance of gold in the past *few years depends on your currency standpoint*. While for the UK investor gold has held its value, it is now very cheap in Japan at a time when gold jewellery is coming back into fashion there, and the Japanese are looking for new ways to store their wealth.

Gold Trusts have changed a lot in character over the last few years, in a way which brings them unexpectedly into line with the ethical investment school. A few years ago, a unit holding in a gold fund was largely an investment in South Africa. Following the political upheavals which began to shake the country increasingly last year, many managers have reduced their weightings in the free world's largest gold producer to very low levels. The success of the Australasian funds in the one-year figures indicates that the lack of a South African holding has not been an obstacle to performance.

Brian O'Neill's fund has quite a high percentage in South Africa compared with some, with around 34 per cent of the fund there, plus 28 per cent in Australia and 30 per cent in Canada. Even so, he expected his fund to be 70 per cent in South Africa when it was launched, "but other markets have run, and there have been more new issues and special situations elsewhere. We haven't sold South Africa, but new money has gone to other places."

Hugh Twiss, whose Exploration fund has a 95 per cent gold exposure, has less than 5 per cent in South Africa, and would see a maximum of 25 per cent there.

Following the recent performance record, have prospective new gold unit holders missed the boat? Willie McLucas doesn't expect his fund to repeat its last year's 139.39 per cent rise, but feels there are still good gains to be had. Australian companies involved in exploration in Indonesia, Papua New Guinea, and the Pacific islands make up 20 per cent of his portfolio. Finds in this part of the world, he says, are between five and 10 times the size of what would make a profitable mine in Australia.

The Waverley fortunes, however, are not exclusively in prospecting. "I'm not looking for a massive rise in the gold price," says McLucas, "because it's a very profitable business digging gold up when it's valued at *A$617* an ounce, and it only costs A$250 to produce."

Have unit trusts been a profitable way to invest in gold? Over the past couple of years, Brian O'Neill points out, gold shares have easily outperformed the gold price, and since the start of 1987, gold is up around 10 per cent, and the funds around 40 per cent. He finds this level of gearing "a bit scary," and certainly unsuitable over the longer term.

Without plugging the "uncertainty scenario," O'Neill feels the investor should hold "5 per cent, maybe 10 per cent short term" in gold and commodity related investments. He cannot see the gold price much higher than $500 at present, but the future is susceptible to intriguing speculation.

"If the Russians were self-sufficient in grain in a couple of years, perhaps they wouldn't be so keen to sell gold?" "If the Japanese market went through a major correction, gold would be one of the beneficiaries."

In addition to promises of new finds on an undreamed-of scale, it is this sort of global consideration which gives gold its fascination.

Christine Stopp

Gazumpers bring gloom

IN SPRING, the house-buyer's fancy turns to gazumping. Back in chilly January, I saw an advertisement for what I thought was the only sub-£40,000 one-bedroom flat in London. In winter even house *prices seem to go through a bad* patch, and I congratulated myself in my financial astuteness in buying ahead of the spring house-hunting herd.

I put down an immediate £250 deposit with the estate agent and instructed a solicitor. Since this was an impulse buy, I did not have a mortgage but anticipated no major problems getting one. However, if house-hunting is a full-time job, then looking for a mortgage in the burgeoning financial services *sector is pretty much the same.* "It pays to shop around," I was advised. And I did so.

My bank—the Midland—said it did not offer 100 per cent mortgages; 95 per cent was as daring as it was prepared to get. I went to the Abbey National, my building society, which offered me £36,000 and not a penny more. I needed £37,200. The society said that to make up the difference I could go for an unsecured loan through one of its recently launched schemes. Of course, the application would have to be cleared by head office but my adviser said she was confident this could be done quickly.

Wondering where I would get the money for the carpet if I took this course, I promised to consider the offer.

Next, I went to a large mortgage-broker which said it could offer me a 100 per cent deal but I would have to part with £300 for the privilege. For a first-time buyer that sounded like a lot of money, and I felt uneasy about forking out a hefty commission. So, I resolved to look around.

A few calls to brokers advertised in house-buyers' magazines suggested that the first one I approached could offer me the best interest rate. Perhaps I would have to overlook his commission fee, after all. But

somewhere along the line my name had been passed on to another broker, who then cold-called me.

I could not believe my luck. He said he could fix a 100 per cent loan for me, and at a more competitive rate than my building society. Straight repayment, endowment or even special retirement plan. By the way, did I have a pension scheme? If not, how about a pension mortgage? I was fast getting confused so we arranged to meet.

The salesman wanted to sell me a pension if he was going to sell me a mortgage at all. He emphasised the tax efficiency of the pension mortgage. How old was I? Twenty-five next birthday. Then now was the time to start thinking about a mortgage, since my employer doesn't provide a scheme. If I left it any longer my premiums would only increase.

He had tables showing what percentage of my income I would need to pay in order to have what seemed like a tiny fraction of my salary when I retired. But the prospect of getting what seemed like monopoly money in 40 years failed to excite me and I did not want to be steam-rolled into taking out a pension scheme when all I wanted was a mortgage. Eventually, the salesman relented.

Of course, he could get me a repayment mortgage which I could convert into a more tax efficient retirement plan when I bought my next house. No, this was not exactly a pension mortgage *but the next best thing.* I was none the wiser. Since all I wanted was a mortgage, this did not trouble me. I decided to stick to what I could understand. The good old-fashioned repayment mortgage was a lot cheaper than an endowment one —by around £20 a month.

There was only one more thing for me to do, the salesman said. I had to open a share account with another building society which would then arrange my mortgage. I agreed to transfer my account and gave him a cheque for £1,000.

Then disaster struck. I got a call from my solicitor. He told me the vendor had just said he was prepared to wait only until the next Wednesday — three working days — before issuing another contract. I had taken too long on my purchase — about 2½ months.

Frantic calls to the estate agent and the vendor were to no avail. The agent was quite honest. "We are selling the same properties for around £42,000 now, so the vendor is a bit impatient about people dragging their feet." My explanations were received politely but I suddenly felt that feeling of being gazumped — which must be akin to how one feels when the contents of a chamber pot are emptied over your head.

I was ready to exchange. My solicitor had forwarded the contract for me to sign. But now, he said, the vendor was refusing to exchange before I had a firm mortgage offer. Since my building society was carrying out a survey on the Wednesday, there was no way I could get a firm offer to meet the vendor's deadline, He had issued another contract. "We are in a contract race now," my solicitor said.

Suddenly, I found myself in a minefield. If the building society did approve the mortgage on the Wednesday, I might still have to find more money if it valued the property at below its market value. But I had saved up enough money — 5 *per cent of the property's value* to exchange and would be unable to find more.

Of course, I would get all that money back but I could now see a cash-flow crisis looming. All this despite assiduously putting money aside for the survey fee and the solicitor's expenses and stamp duty.

A few days later, my solicitor forwarded a letter he had received from the vendor. The message was clear. The vendor said that even if I got my mortgage and *other finances sorted* out, he could still sell to whoever he chose. I was in a no-win situation.

Then disaster struck — again. My broker said his building society would not be able to give me a mortgage this month even if it approved the property. It had used up its mortgage allocation for March and I would have to wait four weeks.

How was I to know that you could have a perfectly decent property but run the risk of losing it because the mortgage funds promised would not be delivered on time. That is something else they don't tell you in the house-buyer's guides.

I had to decide whether to cancel the survey and save £80, or gamble on winning the contract race. I did not fancy my chances. A day before the survey, I called the building society and cancelled it.

"I have just been gazumped," I told a friend, who replied: "Oh, that happened to me once. It's really infuriating." And my neighbour added: "It's just happened to a friend of mine who wanted to buy a one-bedroom flat in Streatham. It cost £42,000. Now, he can't afford to buy anything. It's such a shame. . . ."

Ray Mgadzah

Accounts to render

Teresa Hunter notes some difficulties for accountants in new rules established under the Financial Services Act

ACCOUNTANTS are normally viewed as solid, if somewhat dull, citizens. So, after bank managers they are the first choice if you want to seek independent financial advice. But how will they be affected by the Financial Services Act and its provisions?

Like many parts of the proposed new regulatory set-up there are lots of issues yet to be resolved.

Under the Financial Services Act, accountants wishing to provide investment advisory or management services will have to be authorised to continue doing so and will be subject to improved monitoring and disciplinary procedures. Although giving investment advice is an important source of revenue for many accountants, the time and expense involved in meeting the new regulatory controls for what may be only a peripheral part of the business is an obvious concern. The dilemma facing accountants is that many companies which provide purely accounting services see no reason why they should become involved with costly new controls aimed at giving investors extra protection.

The Institute of Chartered Accountants, which has 85,000 members in England and Wales, plans to seek approval from the Securities and Investments Board (SIB) as a "recognised professional body" responsible for authorising and monitoring accountants. It is considering making such authorisation compulsory, with the facility for companies to opt out if they can prove it has no relevance to their operations.

Those accountants who act as agents for insurance brokers or building societies will have further choices to make. They can either become accredited representatives tying themselves to particular products, hive off the business to other intermediaries or act as independent intermediaries themselves. If they choose the independent route, they will probably have to join FIMBRA (*Financial Intermediaries*, Managers and Brokers Regulatory Association).

Since joining FIMBRA involves all kinds of additional financial reporting, and requirements which would not be applicable to normal accounting practices, it seems likely they will have to form special subsidiary companies to handle any investment advice business.

But for average accountants, the main decision will be whether they can meet the guidelines now being formulated by the Institute of Chartered Accountants to meet the requirements of the Financial Services Act.

Under the proposed regulations, the institute, which has set up a *financial services* co-ordinating committtee with its counterparts in Scotland and Ireland, will introduce improved monitoring and disciplinary procedures for its members. One innovation will be a system for compensating clients against negligence, dishonesty or insolvency of an accountant.

Another proposed regulation is that all members will be required to hold professional indemnity insurance to ensure the accounting firm has adequate means at its disposal to meet compensation claims.

However, many accountants are doubtful whether these new provisions will do much to improve the protection of clients. Accountants do not see themselves as a high risk group when compared with solicitors or financial advisers.

Price Waterhouse partner and former institute president, Richard Wilkes, explains: "We simply do not have access to the substantial sums of money which pass through solicitors' accounts when they are buying and selling houses.

"Unlike other financial advisers who can set themselves up in business without any qualifications or experience, accountants have a lengthy educational process during which they are closely supervised to ensure they are fit and proper."

In the year to last August 20 Institute members were excluded (struck off) for neglecting clients' interests after hearings of the disciplinary committee. This kind of neglect mentioned normally involves missing deadlines for perhaps making a tax claim or filing trust accounts.

A further 62 were given warnings for similar neglect or breaches of conduct of business rules, varying in severity from a censure to a reprimand. These are placed on record and could lead to exclusion if another complaint is pressed.

Acountants are already obliged to know their customer and give best advice. Both chartered and certified acountants are further obliged to inform a client of any commission paid on the purchase of investments. Unlike solicitors, they are not obliged to refund it, although in practice a portion of any commissions is often offset againts fees.

They will be subject to more intense monitoring. However, the complaints and disciplinary procedures are unlikely to be substantially altered. At present the first official complaint has to be made through the civil courts. The institute's disciplinary procedure will not come into force until a case has been proved or rejected by a civil court.

Where a client is anxious about bearing the costs of a lengthy court hearing, the institute will attempt to settle the dispute through arbitration. It will bring the parties together to agree on an independent arbitrator who will then assess the case.

The institute, if it is granted RPB status, will have to appoint some form of ombudsman who can be appealed to if the disciplinary procedure is believed to have failed.

Wilkes says: "I do not believe these changes will alter our relationship with the public at all. The biggest impact for accountants is going to be where they have to decide whether to become agents for one company, or independent intermediaries."

Precocious saver

LAST year my mother asked Kimberley, my two-year-old daughter, "What are you getting daddy for Christmas?"

She was stunned when Kimberley promptly replied: "Shares. The shares go up and then we get money and can go on holiday. They not go down — then we be poor and lose money."

Being a curious child, she had once asked me "what are all the words you are reading" in the *FT*. I had explained to her about share prices, and she had remembered it.

Despite such knowledge in a two-year-old, Barclays Bank believes she is too young to receive its Supersavers Club magazine which, for some strange reason, it only gives to account holders over the age of seven. She therefore opened an account with NatWest instead and, although she had to pay £1 for the first ceramic piggy bank, she also received a small box of coloured pencils, regular copies of a colourful magazine and six-monthly arrivals of a further four piggy banks — all free.

It seems to me that there are two main reasons for investing money for children: the first is to make them aware of the value of money, the need to work for it, and the merits of saving and investing; and the second is to provide them with some financial help for the future.

The first objective can be achieved by opening various accounts with banks and building societies which they can visit and where there are helpful staff, and saving can be seen to be fun. For example, several years ago my other daughter (now aged five) opened an account at Barclays Bank branch in Plymouth. Apart from telling the cashier she thought it rather mean of Barclays to charge £1 for a plastic money box when building societies were giving them away free, she also asked: "What do you do with all my money?"

The cashier smiled, continued counting the money out of her box and said nothing. Perhaps she thought if she replied to such a precocious child, she might then get a follow-up question on why Barclays, like many other banks, had lent so much money to South American countries which did not seem able to pay all of it back.

Compare this with when she opened a Young Generation Club account with a small office of the Portman Building Society near Poole in Dorset where, in answer to the same question, a lady explained simply and clearly about how building societies lend money to people to buy houses, how she would receive interest on her money, and so on. She greatly appreciated this. Even more, she liked

Investors' Tales

the free coloured pencils, colouring book and pictures of wild animals which the Portman give to all holders of such accounts. Until the holder's 16th birthday, these accounts are guaranteed to earn a higher rate of interest than an ordinary share account.

The Barclays branch in the same area also has helpful staff, but her Plymouth experience has rather put her off Barclays, especially when she sees all the benefits her sister receives from banking at NatWest instead.

However, keeping money in an account in the UK is not really a good investment for children. Although they do not earn enough to pay income tax, children's building society and bank accounts are treated just like adults' and they find those accounts debited with tax on their interest and they cannot claim back this tax. This is why my two daughters only keep a minimal amount of their money in such accounts.

This is still beneficial to the banks and building societies concerned as it helps to encourage "customer loyalty" and my two daughters will probably still use them when they are older and have earned income of their own. While my eldest daughter wants to be a writer and book illustrator when she grows up, the youngest shows all the signs of being a Rothschild or Goldman Sachs dealmaker, so the banks and societies might eventually gain millions.

Some of my daughters' money is on deposit with Barclays Bank in Guernsey, where the interest is paid gross without deduction of any tax.

Money from relatives was invested for them in Equitable Life's Special Situations Unit Trust; and in London Life Linked Investment Bonds written under a trust until they reach the age of 18.

The performance of these investments has, so far, been quite good. For example, a £750 investment in Equitable's Special Situations Trust at the end of August last year is now worth over £915.

In about five years' time, when they can more easily judge the merits of particular shares, my daughters will be encouraged to make their own share purchases.

Thus, as well as having run and learning about saving with NatWest pigs, Portman pencils, and so on, my two children also have more tax-efficient investments which will be if use to them in later life.

Kevin Goldstein-Jackson

Tax traps of marrying abroad

IT IS not, perhaps, surprising that many British expatriates marry nationals of the countries where they live and work. Marriage usually has far-reaching financial results, but marriages such as this can cause rather more financial problems than usual—particularly with tax and succession—because of the differing domiciles of the husband and wife.

Domicile is the factor which connects you with a particular legal system. Your domicile of origin is acquired at birth, usually from your father. Once you are independent, you can acquire a domicile of choice by making another country your permanent home. But mere long-term employment abroad will not, of itself, produce this result.

For many years, English law ordained that a married woman automatically took the domicile of her husband. While such a rule had the merit of simplicity, it was deemed out of keeping with the times and was swept away by the Domicile and Matrimonial Proceedings Act 1973. This had the effect that for marriages on and after January 1 1974, the wife's domicile is to be determined in exactly the same way as for single women or for men.

While the Act does not apply retrospectively to earlier marriages, the US negotiators of the double taxation agreement (income tax and capital gains tax) with Britain have secured precisely this treatment for their nationals.

Assume you are a British domiciliary and that, while working for a multinational corporation in France, you marry a woman domiciled there. As a result, while your liability to British inheritance tax (IHT) extends worldwide, hers will relate only to any assets she has in Britain.

In addition, the normal exemption of assets passing from one spouse to another, while applying over any gifts she makes to you, is limited to £55,000 when the gift flows from you (a British domiciliary) to her (a non-British domiciliary). This disadvantage cannot be overcome by your wife "electing" to take your domicile; this can be achieved only by permanent residence in the UK.

If, in the fullness of time, the family decides to make its home in Britain, differing treatment might extend to income tax and capital gains tax, too—unless, of course, your wife decides to reside in the UK permanently, in which case she also will become a British domiciliary. However, if she maintains her contacts with her homeland and wants to return there if you die, her French domicile will probably be preserved.

This certainly would be an advantage from a British tax point of view, since her overseas income and gains would be taxable only to the extent that they are sent to the UK (ie, the remittance basis). In marked contrast your own liability would extend to income and gains arising worldwide.

However, your wife needs to bear in mind if she is tax-resident in Britain for 17 years out of any 20, she will be deemed to be domiciled for IHT (but not other tax) purposes. Like all non-UK domiciliaries, though, she can capture permanently the IHT advantages which that status confers by conveying assets to a settlement outside the UK before any change of domicile or deemed domicile comes about.

The loss of the unlimited spouse exemption for IHT is, however, somewhat disadvantageous as a result, it is sometimes best for the foreign partner to accept British domicile.

This will be the case less often since the Finance Acts of 1986 and 1987, which treat outright gifts or settlements in favour of individuals as "potentially exempt transfers," with the result that no lifetime tax is payable and survival of the donor for seven years will ensure that none ever is. By this means, you have the opportunity to provide for your non-domiciled wife without the intervention of IHT.

But domicile also is vital when considering wills and intestate succession. Except in the case of immovable property—in which case the law of the country where the property is situated is paramount—it is the law of the country of domicile which applies, not that of the country where any will was made.

Consequently, your wife must look to French law to determine if there are any restrictions in the manner in which her property is bequeathed and to determine such questions as the rights of spouses (and former spouses) and adopted or illegitimate children. As may be imagined, such laws vary enormously from one country to another and often produce results far removed from those which English law would prescribe.

As a result, while under English law you are free if you wish to bequeath all of your assets to your wife to the exclusion of your children, your wife's retention of her French domicile (thus importing the French law of succession) would prevent her from doing likewise.

Donald Elkin

Buy a chunk of the US

AT LAST, the opportunity for which everybody has been waiting — the chance to buy an Arabian horse farm in Georgia. Laboratory, equine swimming pool. More than 300 acres. Farmhouse with eight bedrooms, two tennis courts and its own swimming pool. The whole personally designed by the owner, Kenny Rogers, of Country and Western fame. Asking price, $11m.

This dream of the quixotic is waiting at the American Real Estate and Investment Show, to be held at the Institute of Directors in London from next Wednesday. So, too, are rather more pedestrian properties, office investments, and so on. This is the serious side of an attempt to lure European capital into the US property market; not only institutional money but corporate cash and investment funds from private individuals.

"We have all the information available and a smorgasbord of properties. Some are rubbish but some are not. That's up to you to find out," says Ken Miller, the man who set up the show which is the fourth of its kind in London.

Miller, a loquacious entrepreneur and real estate veteran who once was described in the US press as "the sort of smart Manhattanite who could make Mikhail Gorbachev froth with envy at the American Dream," spends a lot of time trying to match European money with US real estate. The show is the annual peak of his efforts.

This year, he will present about $10bn of property, 95 per cent of it commercial. Exhibitors will be paying up to $9,000 for a stand in what he describes as a market place. He claims: "You can come to London once a year and see the whole of the US at once." He also notes that "it is not easy for a Californian to see what is available for sale in the US."

In addition to the property salesmen there will be lawyers, tax consultants, government officials on hand, the better to make the wheels of commerce go round.

There are certain difficulties in this, as Miller concedes. The first is a question in the background, a suspicion really: Is the international market being turned into a dumping ground for US garbage? The second is the feeling among some Americans that foreign buyers take too much time to make up their minds, coupled with the foreigners' lack of trust in Americans.

Such mistrust is a matter of habit as much as anything else. Whatever the justification for it, the fact is that major foreign buyers have been emerging for US property. As Miller puts it: "In the past 18 months you can't open a paper without seeing a Japanese deal—cherry-picking the Americans."

British companies have been active, too—Ladbroke, Heron, Hammerson and so on. Certainly, the big chartered surveyors are in the market—Jones Lang Wootton, Richard Ellis, Hillier Parker are examples.

There is more to this than simply a desire to play a role in the world's biggest market where yields tend to be higher than in the UK. There are now specific factors which make it interesting.

For the Japanese, of course, there is the currency attraction—cheap dollar assets at a time when the yen is strong. More generally, a change in the US tax structure is leading American sellers to look for new types of buyers.

President Reagan's latest Budget has removed tax concessions from property ownership. This, in turn, has diminished for Americans the attraction of property as a tax shelter. Syndicates, often set up by the financial service houses, had been buying property for the tax benefits rather than simply making a profit. Now, many of them want to leave the market.

In some areas, too, such as the farm belt and the oil centres, property values have

declined, making available some buildings at below the cost of construction. There is, in short, a lot of property about. "Sellers are getting nervous. The market has shrunk a bit," Miller says.

On the basis of past experience, probably about 1,000 people will be curious enough to turn up at the show and make some inquiries, out of which business worth perhaps $50m. will be done. "Seller beware, buyer beware," warns Miller. "But a lot of good deals are lying about."

Paul Cheeseright

هكذا بالأصل

No dividend in selling shares

On March 13 Frogmore Estates were quoted in the FT at 248xd. I phoned my broker, mentioned the above, and instructed him, speaking from a prepared written form of instructions to sell a certain number of them at 248xd or better.

A contract note duly arrived, showing the correct number sold at 248 — no mention of xd. The dividend is payable on April 6.

***On receipt of the contract note,* I asked my broker, should not the contract note show the sale price at 248xd — not just 248? and requested his confirmation that I am entitled to retain the dividend when it arrives. He has written to me *as follows:* "*Very few* stockbroking firms actually mark xd on contract notes any longer. The last date is shown in the Financial Times every Monday. In the case of Frogmore it was the 9th of March. Any shares sold after *this date are entitled to the* dividend."**

His first sentence is surprising but I am willing to accept it. His second and third sentences are factual and correct, but his last sentence is very difficult to believe — if it is *correct,* what useful purpose, if any, can xd marking system serve?

I should appreciate your advice as to whether or not I am entitled to retain the dividend payable on April 6?

If you instructed your brokers *to sell ex dividend* at a minimum price then the brokers should have informed you straight away that they could not effect a sale ex dividend (if that was the case) and they should have asked whether you wanted to sell cum dividend, *and at what* price. You cannot now retain the dividend, but you can require the brokers to repurchase the shares for you (if you would not have sold) and to bear any cost over and above the net sum paid or payable to you on the sale which *was effected,* and *to* reimburse you for the last dividend.

Wife's gift to children

My wife and I intend to give a sum of money to our children. As a record of the gift we shall ask them for receipts. Under the seven year rule regarding Inheritance Tax, would it be better for the *receipts to be made out to my* wife or myself or both of us? I am eight years older than my wife.

What matters is who makes the gift, not how the receipt is framed, although the receipt *may help to identify the donor.* If there is no special health hazard which would suggest that one of you is particularly at risk, the actuarial likelihood favours your wife's surviving you, *so* that the gift is better made by her and the receipt would then *be addressed to her.*

Formidable task ahead

My *father-in-law* died in the mid 1950s. He was a regular visitor to Switzerland and my wife and I feel he may have a Swiss bank account. Given that my *father-in-law's* estate now passes to my wife, have we any realistic hope of discovering whether our suspicions are correct and how would we go about such a *task?*

If you have no idea of the identity of the bank at which the account may have been held your prospect of tracing it 30 years after the death of the account-holder is remote.

Complicated inheritance

I am a widower, 65 years old, *having property* and investments of £160,000 and dependants.

In the near future a cousin, 12 years my junior, is coming to live with me. She has property and investments of £150,000.

***At present, she lives in her* own house (worth £70,000) with her son. He is to marry later this year and will continue to reside there. A married daughter lives elsewhere.**

To treat both children equitably, my cousin has *suggested that* her son take out a mortgage to buy the house from her at 50 per cent of its valuation, the proceeds going to the daughter. The son is willing to do this but his present commitments preclude him from doing so for at least a year.

In between times, would you advise that ownership of the property: remain vested with the mother; or jointly between mother and son; or jointly between son and daughter? The high probability of my *earlier demise leads me to ask* you how, other than by marriage, I can give my cousin an "interest in possession" and avoid inheritance tax? Is it possible for one person to have an "interest in *possession" in more than one* property at the same time?

You can make potentially exempt transfers which will escape liability to tax if you survive them by seven years. You could also make a gift to your cousin's son which is a *PET and which* would *in* any event fall into another exemption (eg £3,000 per annum) if you were not to survive for seven years. We do not understand your references to interests in possession; the effect of marriage would be to enable you freely to transfer capital without the need to fall into other exempt categories. Nothing else would achieve that.

Dogged by good luck

My dog, while outside playing, chased another dog and ran into the side door of a car, causing a dent in the door. The owner of the car wants me to pay £160 to have it repaired. Am I liable to pay or not?

The motorist's claim would have to be made under Section 2(2) of the Animals Act 1971, which made some changes in the former law. Under that provision you would not be liable unless it could be shown that your dog had a tendency to run into the road or to chase other dogs when outside, and that you were aware of that characteristic.

Bitten by Jaguars

In April last year I bought 300 Jaguar ordinary shares through a firm called City Investment Centres at £4.73 per share. In October I sold these shares through Hoare Govett Dealercall at £5.42. I had not in fact received a share certificate from City Investment Centre, despite repeated telephone calls. I was informed that the contract note was a "legal document" and was my legal proof of ownership. They told me they were having problems with their computers. Soon after I sold the shares I discovered the problems CIC were having and that a provisional liquidator had been appointed. Hoare Govett did not settle the account with me and said they were trying to trace proof of ownership. I wrote to the registrars for *Jaguar* (Barclays in Cheshire) and as I expected the purchase had never been registered. I had almost come to terms with the loss of these shares when I received another letter from Hoare Govett asking me to buy back another 300 shares.

***I* can see the reasoning behind this but naturally I would have to buy the shares back at a higher price. Meanwhile at the first meeting of creditors for CIC (which I did not attend) I gather there seemed little hope of any moneys being repaid. Could you please advise me as to exactly where I stand in this matter as I do not particularly wish to part with any more money.**

Your liability to Hoare Govett is to furnish 300 shares to complete *the sale, so they* are entitled to require you to buy in shares to achieve that end. You would in turn have a claim against City Investment Centres for the whole of your loss, but the claim is likely to prove worthless.

Retirement problem

I am due to retire in October *from the partnership I began* some 30 years ago. Our accounting year ends on November 30.

A surprising amount of anguish seems to be developing over the rights to my personally incurred practice expenditures *and I would welcome some* advice on the legal aspects involved.

My allowable expenses to November 30 last will be set against my earnings in the coming year but my partners believe that because I'm leaving before the *end of our* financial year I will be only entitled to a proportion 10/12 of my expenses. The other 2/12 being at their disposal.

Again they believe they are solely entitled to the use of the allowable expenses that I am incurring now—that is between December 7, 1986 and my retirement on October next and that furthermore they can insist on my keeping records of these personal costs, so as to make them available to them later. The intention is, of course, to offer these allowances to the incoming man as an inducement to begin a continuation agreement or as to settling for a smaller share in the partnership.

Whereas I am happy to continue to record my expenses I do not believe I have a legal obligation to do so.

Furthermore, if the expenses I'm now incurring are indeed to be so traded in then, I feel that I too, should benefit from the transaction and that an allowance should in effect be made to me against them.

Your partnership agreement should contain express provisions which govern the payments due to you on retirement and which would determine how your expenses are to be allocated. If there is no such express provision it would be necessary to draw up partnership accounts for the ten-month period to the date of your retirement on a dissolution basis rather than a continuation basis (it is important that the auditors realise this) and these should allow you all expenses actually and properly incurred up to 30 September 1987 provided that the expenses are properly recorded and vouched.

BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

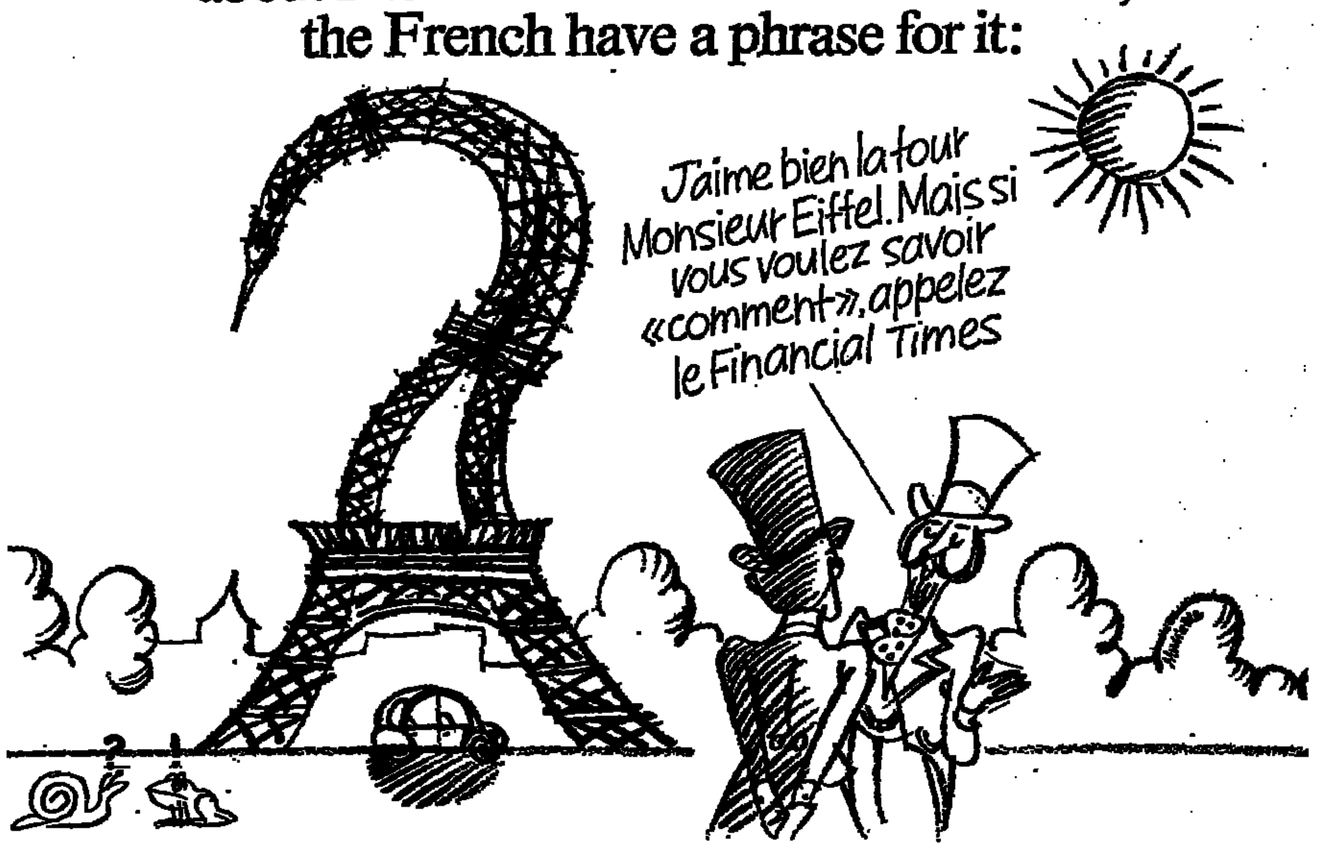
Light rights

My neighbour is seeking planning permission to turn his bungalow into a house. This necessitates an increase in the roof height which will effectively block out all direct sunlight to my lounge between *late October and early March.* Should my neighbour receive planning consent, in spite of my objection, have I any protection under the law relating to "ancient lights"?

You are entitled to an easement of light which has been acquired by prescription ("ancient lights") — but that does not give you any entitlement to receive sunlight as such. The question which has to be asked is whether the light which will be left coming to your lounge is sufficient for the reasonable enjoyment of that room for ordinary purposes (ie, its use as a reception room in a dwelling-house). You would need the advice of a surveyor qualified to assess rights of light to advise you whether that would in fact be the case or not.

INTERNATIONAL BUSINESS PHRASE BOOK: LESSON 1

When it comes to asking anything about international business information, the French have a phrase for it:



"Know FT, Know *comment*"

Or, roughly translated into English, "Know the FT, Know how".

Unfortunately, in Britain we tend to take our great institutions for granted. For example, *when was the last time you visited the Tower of* London? Or saw the Changing of the Guard?

Of *course* you read the FT.

But those pink pages are only the tip of an *information* iceberg.

Did you know that you could ring one of our research staff to ask about British exports of sand to Saudi Arabia? Or get a picture of Mary *Pickford from our photo library?* Or run a search on a Danish company selling pickled *herrings?* Or get the Yen/Dollar exchange rate for July 1, 1975? Or even commission a major market study?

The FT resource is designed to be a working tool for businessmen.

Or, as the French would say: "Know *comment*, Know FT".

FTBI

Financial Times Business Information Service
The world of business information, on tap

To: Sarah Pebody, Room 405N, FT Business Information Ltd, *Bracken House, 10 Cannon Street, London EC4P 4BY.*
Please send me further information on the FT Business Information Service.
BLOCK CAPITALS PLEASE
Name ______
Position Held ______
Company ______
Address ______
______ Telephone ______
Nature of business ______

FT Business Information Ltd. Regd. address: Bracken House, Cannon Street, London EC4P 4BY. Regd. No. 980896.

FTBI

THE FINANCIAL TIMES BRITISH BANKING DIRECTORY 1986/87

No matter what your needs the British Banking Directory will be at your service. It provides you with a comprehensive and accurate reference source listing over 550 deposit-taking institutions in the UK.

The book gives background information on all the *recognised banks and LDTs in the UK and lists the* representative offices of foreign banks, with their *address and full telecommunications details* including Swift, Cable and Fax.

Entry listings include a historical profile and a financial summary, as well as a breakdown of management responsibilities.

A Practical List of Contacts

The Directory is designed to give practical information about the staff of the London offices of the banks and LDTs. A useful breakdown of named individuals and their responsibilities will enable you to liaise with your opposite number or to reach the market you need.

Summary of Contents

An alphabetical list of the banks and LDTs in the UK ● A list of the representative offices in the UK of foreign banks ● An index of institutions listed in previous sections on a country-by-country basis ● An alphabetical index of all the banks in the directory together with their subsidiaries and associates.

Expert Articles

To supplement the text there are topical articles on legislation and banking technology written by experts in the field. Full instructions are also given on how to make best use of the information contained in the Directory, to suit your purpose.

ORDER FORM (Mail order address only.)

Return to: **The Marketing Dept, Financial Times Business Information, 102 Clerkenwell Road, London EC1M 5SA. Tel: 01-251 9321 Telex 23700**

Please note payment must accompany order. Prices include postage and packing.

Please send me ....copy/copies of British Banking Directory 1986/87 at £38 UK or £48/US$72 overseas per copy.*

I enclose my cheque value £/US$ .... made payable to FT Business Information.

Please debit my credit card (mark choice) Access ☐ Visa ☐ Amex ☐ Diners ☐

Card No. ....

Card Expiry date ....

*I wish to order 5 or more copies. Please send me details of bulk order discounts or telephone ....

BLOCK CAPITALS

Name ....
Title ....
Organisation ....
Address ....
.... **Postcode** ....
Country ....
Signed .... **Date** ....

☐ I would like to receive details of other Financial Times banking titles.

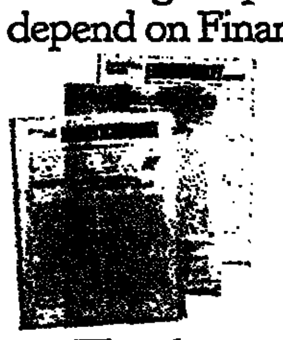
Please allow 28 days for delivery. Refunds are given on books returned in good condition and within 7 days of receipt.
FT Business Information Ltd., Registered Office: Bracken House, 10 Cannon Street, London EC4P 4PY. Registered in England No. 98096.

(FT)

Specialist business information you can act upon

Financial Times Business Information journalists produce newsletters bringing an unrivalled quality of reporting to key areas of international business.

No wonder senior decision makers within a wide range of professions and industries regularly depend on Financial Times Business Information Newsletters to supply them with:



- vital specialist news
- analysis
- predictions
- the inside story

They know, too, that much of what they read from FTBI is simply unavailable elsewhere.

FTBI Newsletters – a host of profit opportunities

The enduring success of the FTBI Newsletter service has been built on an unsurpassed quality of journalism across a surprisingly wide range of subjects.

You'll see from the complete list below that we cover everything from the North Sea to the Automated Factory, and from International Banking to Mergers & Acquisitions.

In every case you'll be receiving information you can act upon. Comprehensive updates and news reports plus informed, analytical comment.

Our editors are not shy in venturing their opinion and much of their comment contains uncannily accurate prediction.

What's more, you can depend on fast delivery. Our newsletters are printed and posted within hours of the last copy being written.

More information about more information

If you'd like to know more about Financial Times Business Information Newsletters please write to Martin Brooks, Publisher, at the address below.

There's no better way to receive inside information you can act upon.

FTBI *FT BUSINESS INFORMATION*

Financial Times Business Information Newsletters, Tower House, Southampton Street, London WC2E 7HA

Financial Times Business Information Newsletters

North Sea Letter			Mergers and Acquisitions
International Coal Report			New Media Markets
Energy Economist			Telecom Markets
European Energy Report	International Trade Finance	Financial Regulation Report	Electronic Office
International Gas Report	World Insurance Report	World Commodity Report	Automated Factory
Mid East Markets	London Policy Guide	World Accounting Report	Software Markets
Latin American Markets	Euromarket Report	World Tax Report	Personal Computer Markets
East European Markets	International Banking Report	Business Law Brief	Computer Product Update

The unholy art of never getting caught

William Pitt explains why villains are thriving in the British antiques market

CROSS Tower Bridge and head *south down Tower Bridge Road* early on a Friday morning and you will come across a community trading under a law which is curious even in Britain, where curious laws abound.

Bermondsey Antique Market was familiar to police officers from the now defunct Art and Antiques Squad as a *market overt*. That is, if a visitor to the market unwittingly bought stolen goods from one of the stallholders, he would be legally entitled to keep them. Buyers of antiques at Sotheby's or Christie's or from West End art dealers enjoy no such privilege. They would have to return any stolen property to the original owner, and look to the auction house or dealer for their money back.

The law of *market overt* applies to public markets around Britain between the hours of sunrise and sunset and also, by obscure custom, to shops in the City of London at the same times. Until 1979, when it was enshrined in the Sale of Goods Act, *its standard expression was* to be found in the Sale of Horses Act of 1555.

The law of *market overt* occupies a place in a much broader canvas. The legal anachronism would matter less if London's antique trade as a whole was effectively policed. But few dealers or auctioneers believe that it is.

Since June 1984, when the Metropolitan Police's art and antiques squad was disbanded, the trade has largely been left to fend for itself. No longer do officers, wise to the ways of the art world, study what comes out of the backs of vans at Bermondsey or *Portobello*. Nor are officers any longer available with the skills to trace the provenance of works displayed in *West End emporia back to* those same vans, and beyond.

Last August it seemed as if the old, more intimate relationship between the police and the art trade was about to be restored. Press reports announced that a slimmed down verion of the original 12-officer art squad was to be set up, under the command of a detective chief inspector.

The reports were misleading. The newspapers had got wind of a study being carried out by Det Chief Insp Arthur Leighton at Scotland Yard. Leighton had been asked to look into the case for restoring the art squad by *the head of the Met's special* operations division, Deputy Assistant Commissioner Brian Worth. However, no decision to restore the squad had been taken.

The leak last August has since made it all the more difficult for the squad's supporters at Scotland Yard — of whom there are many — to win support at the highest levels. Senior officers fear a strong *political headwind if the force* allocates resources to protect "minority interests" at the expense of more pressing social demands such as drug trafficking and violent crime.

Leighton has plenty of information at his disposal, but hardly the time to exploit it. During its lifetime the art squad built up an impressive data base, stored partly on computer and partly on a card index. Detailed descriptions of 10,000 "flats"—two-dimensional works of art such as easel paintings, icons and rugs—are currently held by the computers, and a further 23,000 items of all kinds are described in the card index.

Not surprisingly, Arthur Leighton seems rushed off his *feet*. During the 45 minutes I spent with him the phone hardly stopped ringing. Three of the enquiries that came through related to art thefts—one to the possible discovery of £180,000 of stolen paintings. Leighton readily admits that without full time officers to back him up there is little he can do to help.

Dealers recognise that the police response to their enquiries reflects the low priority given to art theft, something that is unlikely to change in the near future. "It's a minority interest," concedes Julian Agnew, chairman of the Society *of London Art Dealers*. "Clearly it doesn't have the appeal or the social clout of the Drugs Squad."

Agnew believes that a revived art squad would be able to tap resources of goodwill among dealers. "We had something that worked," he says. "For a time there were a few people at the Met who had some knowledge of what they were about." Nowadays, he says, reports of thefts from dealers tend to be *shunted from pillar to post, and* no police station seems to know how they should be handled.

Although dealers were generally satisfied with the work of the art squad, senior officers at Scotland Yard clearly were not. The official line is that the squad was closed down as part of a general move away from *specialist squads, and because* more pressing demands were making themselves felt. But there may have been other reasons.

One possibility is suggested by Joseph Och at Sotheby's. Och represents Sotheby's on the Art Trades Liaison Committee, a body comprising auctioneers and dealers which has long lobbyed for a more effective police response to art theft. He believes that officers became bogged down in ownership disputes, frequently involving foreign governments and problems of jurisdiction, and impatience grew at the Yard over the time and money being spent solving other countries' crimes.

Former art squad officers concede the plausibility of Och's theory, although they say that the precise reasons for the squad's closure were never explained to them. They accept that the police force was highly embarrassed when it was called upon by an English judge to return six tons of Hindu statutary belonging to a Bombay businessman.

The statues had been seized by the art squad, acting on a claim by the Indian authorities that they had been looted from temple sites in the southern province of Tamil Nadu. Many have now found their way to the US.

Other cases were *more neatly* wrapped up. One of the most remarkable was investigated by Peter Flaherty in 1981. A dealer in 20th century pottery on Kensington Church Street *rang Flaherty to express doubts* about some Bernard Leach pottery he had come across. The glaze was wrong, he said.

It transpired that they had been made by inmates of *Featherstone prison in Wolver*hampton, an open prison from which the forgers were able to smuggle the pottery onto the London market through a dealer on the Brompton Road. Before the art squad was called in, pieces of the pottery had already been authenticated by experts at Christie's and Phillips.

More representative, perhaps, of the art squad's normal work was a case described by Christie's former head of security, Ken Watkins. Watkins served for 30 years on the Met before joining Christie's. At the auction house his work brought him into almost daily contact with officers from the art squad.

The case he describes developed as a result of a burglary that took place at 5 am one morning in a house near Not*tingham. The thief got away* with £100,000 worth of works of art, much of it silver. The art squad circulated details of the theft around the trade, naturally including Christie's.

Shortly afterwards a man brought a clock into Christie's King St salerooms. The expert who studied it did not realise that it was one of the articles reported as stolen until after the man had left. A few days later, however, the man returned, this time bringing a silver bowl. He was met by *Watkins, who asked if he could* wait until the relevant expert was free. Two art squad officers were summoned and the man was arrested.

Ken Watkins tells of the mysterious *contract killing* of an Italian who was stabbed at his home in Ladbroke Grove. In his safe police found polaroid photographs of works of art, including a watch *that had been stolen from Chris*tie's in Rome. The murder was never solved, but Mr Watkins believes that the police would have stood a better chance if the art squad, with its overseas contacts, had had longer to investigate. As it was, the squad was already being run down.

Less speculative are the crime figures which indicate that the number of people affected by art theft is growing. The cost of domestic theft insurance claims has more than doubled, in real terms, since the beginning of the decade. Police officers suggest that heightened public awareness of art market values, through programmes such as the Antiques Road Show, has meant that works of art have steadily grown in popularity as targets for thieves.

Re-establishing friendly con*tact with honest dealers would* be a necessary first step in tracking down the criminals within the trade who act as receivers for stolen goods.

At the moment the return of *cordial relations* at *anything* below the most senior levels in the police force and the art trade seems a distant prospect. Mutual mistrust and frustration seem as ingrained as the conservatism that keeps Bermondsey antique market a *market overt*.

The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Total Net Assets (1) £million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 31.3.87 (12) base=100
	as at close of business on Tuesday 21st April 1987					*as at 31st March 1987* — Geographical Spread					
	CAPITAL & INCOME GROWTH										
579	Alliance Trust	Independently managed	913	3.9	1142	38	49	8	5	93	334
163	Bankers	Touche, Remnant	76	2.8	92	44	29	11	16	104	395
468	British Investment	Independently managed	549	4.1	702	54	22	22	2	91	321
110	Brunner	Kleinwort Grieveson	117	2.9	151	55	28	1	16	100	344
†	Edinburgh Investment (w)	Dunedin Fund Managers	170	3.1	†	†	†	†	†	†	†
962	Foreign and Colonial	Foreign & Colonial	139	2.9	151	41	26	15	18	106	395
1191	Globe	Electra House Group	159	3.5	188	75	13	9	3	108	354
463	Govett Strategic	John Govett	313	3.7	388	57	7	4	32	119	389
13	[illegible]	Kleinwort Grieveson	[illegible]	2.8	[illegible]	90☐	5	–	5	99	360
†	Keystone	Mercury Warburg Inv. Man.	360	2.2	–	62	28	–	10	103	†
125	Kleinwort Charter	Kleinwort Grieveson	126	3.1	154	72	16	6	6	98	341
8	Lancashire & London (q)	Finsbury Finance	99	10.7	106	95	5	–	–	100	†
40	London & Strathclyde	Gartmore	225	1.9	269	70	28	–	2	97	346
66	*Meldrum*	Gartmore	141	3.0	163	95	5	–	–	103	385
115	River and Mercantile	River & Merc. Inv. Man.	221	4.5	238	62	35	–	3	95	349
61	River Plate & General (w) △	Tarbutt & Co.	326	3.9	367	78	10	–	12	94	297
56	S. & P. Ret. of Assets (w) △	Save & Prosper Group	170	2.8	231	86	14	–	–	130	†
30	Scottish & Mercantile (q)	Finsbury Finance	100	6.8	110	73	2	–	25	102	†
24	Scottish Cities (q)	Finsbury Finance	590	6.2	716	98	2	–	–	101	†
665	Scottish Mortgage	Baillie, Gifford	615	2.3	782	44	22	13	21	112	410
399	Scottish National	Gartmore (Scotland)	365	2.1	426	56	26	9	9	103	338
195	Second Alliance	Independently managed	810	3.4	1007	40	48	8	4	96	339
696	TR Industrial & General	Touche, Remnant	118	2.4	155	52	23	14	11	103	321
645	Witan (w)	Henderson	128	2.0	164	60	19	10	11	104	407
	United Kingdom										
17	City of Oxford	Hambros Bank	71	3.4	81	99	1	–	–	98	345
55	Fleming Claverhouse	Robert Fleming	227	3.5	274	100	–	–	–	100	378
†	Shires (w)	Stanecastle Assets	214	9.1	†	†	†	†	†	†	†
171	TR City of London	Touche, Remnant	69	4.5	86	90	10	–	–	101	385
143	Temple Bar	Guinness Mahon Inv. Man.	205	4.3	248	99	1	–	–	100	400
	CAPITAL GROWTH										
	General										
334	Anglo-American Securities	Morgan Grenfell	456	2.2	581	39	24	25	12	102	349
190	Atlantic Assets	Ivory & Sime	114	0.7	158	27	71	–	2	100	239
130	Electric & General	Henderson	490	1.4	592	57	23	9	11	108	423
41	Greenfriar (w)	Henderson	419	0.7	441	68	11	3	23	106	475
9	Personal Assets (q)	Ivory & Sime	53	0.9	61	70	30	–	–	89	†
†	Unitycorp Trust (w)	APA Ifico Inv. Man.	103	7.3	†	†	†	†	†	†	†
	International										
105	Berry	GT Management	274	0.6	327	56	17	5	22	98	381
141	English & Scottish	Gartmore	112	1.9*	141	45	18	5	32	107	364
40	F & C Eurotrust	Foreign & Colonial	292	0.9	280	6	–	–	94	102	476
303	Fleming Overseas	Robert Fleming	170	1.7	228	8	48	16	28	96	343
137	Fleming Universal	Robert Fleming	167	1.3	208	11	46	14	29	100	309
22	*Gartmore European (w)*	Gartmore	388	0.7	415	20	7	–	73	106	325
65	Gartmore Inform. & Fin. (w)	Gartmore	55	2.8	69	69	30	–	1	101	224
9	German Securities (w)	Liechtenstein (UK)	117	0.8	119	–	–	–	100☐	60	†
179	Hambros (w)	Hambros Bank	280	2.8	298	57	30	6	7	108	297
72	'Investing in Success' (q)	City Financial	1025	0.8	1136	68	7	14	11	100	†
156	Kleinwort Overseas	Kleinwort Grieveson	157	2.2	189	8	43	10	39	100	323
13	Mid Wynd International	Baillie, Gifford	231	1.6	257	28	30	11	36	97	419
268	Monks	Baillie, Gifford	238	1.5	312	38	26	10	26	109	353
136	Murray Smaller Markets	Murray Johnstone	191ac	2.1*	219ac	21	10	14	55	104	437
15	Nordic △	GT Management	67	0.4	80	15☐	–	–	85	114	†
101	North Atlantic Securities △	Morgan Grenfell	386	1.2	503	–	39	37	24	95	326
200	Northern American	Dunedin Fund Managers	428	1.8	537	25	27	17	31	108	329
34	Northern Securities	GT Management	285	1.1	314	64	17	5	14	100	356
142	Romney	Lazard Brothers	410	1.7	492	10	40	30	20	97	326
107	Schroder Global	Schroder Inv. Man.	229	2.6	293	37	33	11	19	97	306
414	Scottish Eastern	Martin Currie Inv. Man.	141	2.2	183	59	14	13	14	114	363
535	Scottish Inv. Trust (w)	Independently managed	414	2.2	533	34	30	13	23	108	336
20	Stratton Investment Trust	Baring Inv. Man.	116	0.0	131	55	23	8	14	113	†
111	Tribune	Baring Inv. Man.	182	2.6	217	49	26	12	13	96	358
309	U.S. Debenture Corp.	GT Management	359	2.6	395	53	22	9	16	105	302
	North America										
154	American	Edinburgh Fund Mgrs.	142	3.3*	181	28	77	–	–	100	253
155	Edinburgh Amer. Assets	Ivory & Sime	114	0.8	143	7	87	3	3	122	267
146	Fleming American	Robert Fleming	145ac	6.1	177ac	2	98	–	–	97	263
37	Gartmore American Secs.	Gartmore	164	1.1	190	16	82	–	2	118	357
180	Govett Atlantic	John Govett	154	2.7	193	16	83	–	1	100	250
81	TR North America	Touche, Remnant	100	2.6	125	7	93	–	–	97	255
	Far East										
9	Australia (w) △	Clayton Robard (UK)	136	0.3	157	–	–	–	100	97	†
54	Drayton Far Eastern (w)	MIM	222	0.8	294	2☐	–	51	47	108	444
188	F & C Pacific (w)	Foreign & Colonial	264	1.1	319	5	21	48	26	105	348
359	Fleming Far Eastern	Robert Fleming	159	0.9	227	1	–	64	35	98	426
383	Govett Oriental	John Govett	280	1.2	385	6	–	58	36	113	438
28	Martin Currie Pacific (w)	Martin Currie Inv. Man.	169	0.2	210	13	–	78	9	118	†
19	Pacific Assets (w)	Ivory & Sime	141	0.8	140	8	–	–	92	116	†
52	TR Australia (w)	Touche, Remnant	132	2.5	164	7	–	–	93	101	263
226	TR Pacific Basin (w)	Touche, Remnant	210	0.7	293	3	–	67	30	100	454
	Japan										
52	Baillie Gifford Japan (w) △	Baillie, Gifford	407	0.1	480	–	–	100	–	91	611
13	Baillie Gifford Shin Nipp. (w)	Baillie, Gifford	61	0.5	76	–	–	100	–	95	†
138	Crescent Japan	Edinburgh Fund Mgrs.	143ac	0.3	204ac	–	–	100	–	88	640
298	Drayton Japan	MIM	768	0.2	1078	4	–	95	1	106	480
186	Fleming Japanese	Robert Fleming	169	0.6	227	2	1	97	–	99	452
134	GT Japan	GT Management	272	0.7	366	5☐	1	93	1	110	535
68	Japan Assets (w)	Ivory & Sime	68	0.1	82	37	–	63	–	91	418
79	New Tokyo (w)	Edinburgh Fund Mgrs.	130ac	0.2	177ac	–	–	100	–	85	510
	Commodities & Energy										
8	New Darien (w)	Hodgson Martin	70	1.4	80	30	62	–	8	105	120
32	Precious Metals △	J. Rothschild	248	0.3	270	7☐	61	–	32	89	346
115	TR Natural Resources	Touche, Remnant	169	3.4	192	34	33	–	33	99	194
†	Viking Resources (q)	Ivory & Sime	49	5.7	†	†	†	†	†	†	†
	Technology										
11	Baillie Gifford Tech. (w)	Baillie, Gifford	77	0.4	99	36☐	55	6	2	87	†
93	Fleming Technology	Robert Fleming	179	0.5	235	41	40	14	5	100	254
87	Independent	Ivory & Sime	281	0.5	307	24	71	–	5	95	226
405	TR Technology	Touche, Remnant	131	1.9	174	41	46	7	6	102	290
	INCOME GROWTH										
443	British Assets	Ivory & Sime	68	4.8	87	59	35	–	5	114	360
183	First Scottish American	Dunedin Fund Managers	404	4.2	496	96	3	–	1	110	351
83	General Consolidated △	Independently managed	368	5.0	438	71	26	–	3	89	336
†	Investors Capital Trust	Ivory & Sime	337	5.0	†	†	†	†	†	†	†
47	Lowland	Henderson	183	2.8	187	89	3	–	8	104	579
184	Merchants	Kleinwort Grieveson	149	5.1	183	77	18	–	5	97	329
207	Murray Income	Murray Johnstone	190	4.4*	222	77	10	–	13	106	405
299	Murray International	Murray Johnstone	182	4.3*	234	50	28	12	10	96	343
160	Rasburn	Lazard Brothers	486	3.9	586	61	26	9	4	96	300
230	Securities Trust of Scotland	Martin Currie Inv. Man.	108	3.9	130	58	22	10	10	109	407
	SMALLER COMPANIES										
18	Continental Assets (w)	Ivory & Sime	124	1.1	144	–	–	–	100	89	†
54	Dundee & London	Dunedin Fund Managers	281	3.0	356	83	11	5	1	97	328
69	English & International (w)	MIM	204	2.7	246	67☐	21	9	3	102	392
110	F & C Alliance	Foreign & Colonial	150	1.8	179	47	25	13	15	102	326
†	First Charlotte	Ivory & Sime	16	0.4	†	†	†	†	†	†	†
30	Fleming Fledgeling	Robert Fleming	188	1.9	231	74	24	2	–	92	336
20	Kleinwort Smaller Cos.	Kleinwort Grieveson	430	3.0	494	99	1	–	–	98	430
38	*London Atlantic*	*Investors in Industry*	256	3.8	331	74	11	–	15	92	328
28	Moorgate	Independently managed	535	4.1	598	94	1	–	5	92	409
26	North British Canadian	Investors in Industry	309	3.4	408	96	3	–	1	100	349
73	St Andrew	Martin Currie Inv. Man.	177	2.8	214	63	15	15	7	98	368
256	Scottish American	Stewart, Ivory	91	3.1	115	54	25	8	13	101	294
51	Smaller Companies Int.	Edinburgh Fund Mgrs.	106	2.0	187	76	11	13	–	101	364
22	Strata Investments (w) △	Henderson	130	0.5	148	43	21	11	25	97	†
281	*TR Trustees Corp.*	*Touche, Remnant*	112	2.7	138	68	24	7	1	104	323
302	Throgmorton (w)	Throgmorton Inv. Man.	391	3.5	481	99	1	–	–	111	400
	SPECIAL FEATURES										
91	Ailsa △	J. Rothschild	149	2.4	175	52	26	12	10	91	364
20●	Consolidated Venture (w)	MIM	176	0.2	188	27	72	–	1☐	95	312
197	*Drayton Consolidated*	*MIM*	459	3.3	565	77	17	4	2	93	288
†	Ensign Trust	Merchant Navy Inv. Man.	76	1.9	†	†	†	†	†	†	†
58	Fleming Enterprise	Robert Fleming	416	3.0	517	100	–	–	–	111	391
356	Fleming Mercantile	Robert Fleming	179	3.0	230	70	26	1	3	78	336
24	GT Global Recovery △	GT Management	203	1.7	226	71	18	4	7	103	313
z66●	Murray Ventures (w)	Murray Johnstone	244	2.9	284	79	7	6	8	87	366
140	TR Property	Touche, Remnant	89	2.1	106	69	8	10	13	100	320
28	Throgmorton USM (w) △	Throgmorton Inv. Man.	118	1.9	142	99	1	–	–	108	†
24	Value and Income (w)	Stewart Olim	52	3.4	55	99	1	–	–	127	†
	SPLIT CAPITAL (x)										
4	Child Health 87	Thornton & Co.	490	–	562	26	24	12	38	157	387
54	City & Commercial 88/93	MIM	1123	–	1357	81	10	8	1	106	405
42	Fundinvest 85/90	MIM	539	–	609	78	11	9	2	104	386
4	Marine Adventure 88	Thornton & Co.	335	–	365	30	17	2	51	139	440
59	New Throg. (1983) (w) 08	Throgmorton Inv. Man.	101	–	202	100	–	–	–	126	†
48	S. & P. Linked 95/97	Save & Prosper Group	605	–	889	100	–	–	–	112	463
31	Throgmorton Dual. △	Throgmorton Inv. Man.	305	–	662	100	–	–	–	–	†
117	Triplevest 87/91	MIM	1420	–	1695	91	8	1	–	105	361
60	Yeoman (q) △	Independently managed	115	–	145	89	7	–	4	160	†

NOTES TO THE TABLE

† No data.
‡ Applies to Ordinary/"A" Ordinary only.
☐ More than one quarter in non-equity investments.
(x) Capital shares and winding-up dates.
z Incorporates recent revaluation of unlisted investments.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.
(w) Company has warrants or options in issue.
● More than 20% in securities or other assets included at directors' valuation.
△ The Trust has provisions for a limited life. Please refer to the company for further information.
Ø Figures not directly comparable with previous month.

Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co. Ltd. members of The Stock Exchange. The figures in Cols 1&6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent.

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London EC2M 7JJ. Tel: 01-588 5347.

INDICES OF FIVE YEAR TOTAL RETURN

+ Investment Trust Average	372
F.T.–Actuaries All-Share	360
* Standard & Poors Composite	383
* Tokyo New Stock Exchange	354
* Morgan Stanley Cap. Int. World	380

+ Excludes split capital.
* Adjusted for exchange rate changes.

Putting the boot in

WHEN friends asked us to collect their daughter from Ardingly in Sussex at the end of term, I debated which car to take. A sporting coupé I had on test was tempting, but the back seats are very small, and the luggage deck, although fine for large, flat things, lacked sheer volume.

Would it take all the suitcases, plastic bags of clothing, music centres, mystery bundles, riding boots and, oh yes, a few books without which no teenage girl can face a term at school?

I thought not. We took our Peugeot 305 GRD estate. It turned out to be the most sensible decision I made all week. By the time the study-clearing was over, the Peugeot was crammed from floor to roof — but it took the whole thing in its stride.

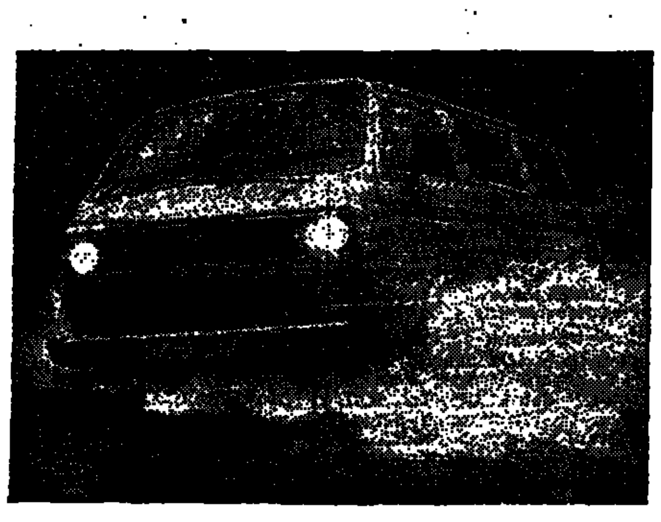
Most buyers of estate cars do not use them regularly as load-carriers. Much of their time is spent as family cars and they may have to serve as van substitutes only half-a-dozen times a year — but are absolutely invaluable when they do. For this reason, once you buy an estate, you tend to buy a series of them until your life-style changes. We have lived on estate cars for more than 20 years and I foresee no immediate change.

The biggest estates come in two kinds. There are conventional ones like the Citroen Safari and Volvo, Peugeot 505 and Mercedes; and less orthodox ones such as the Mitsubishi Space Wagon, Toyota Space Cruiser and the Volkswagen Caravelle. Recently, I have tried one of each kind.

The Volvo 740, with an in-line six-cylinder turbo-diesel engine and four-speed automatic transmission, was a lovely car. It felt like one of those first-class railway carriages in the days when you pulled the windows up and down with a leather strap.

Big seats came right up to my shoulders, the driving position gave a good view of the road; and the instruments were conservative but easy to read. By today's standards, the glow plugs take quite a long time to heat up (about 13 seconds) but the diesel then cold-starts at first flip of the key.

It runs quietly, with a soft whine from the turbocharger rising and falling as you accelerate and ease back on the pedal. On the motorway at 80 mph (128 km/h) the rev counter shows only 3,000 rpm. Its long legs make it a most relaxed long-distance cruiser; it is no noisier at 90 mph (145 km/h) than at 80 mph and the top speed is well over 100 mph (161 km/h). Third gear hold comes in useful on winding hills, and a fuel consumption of around 33 mpg (8.56 litres per 100 kms) may be expected.



The all-wheel driven Volkswagen Caravelle GL Syncro (left) is for large families who want to go off-road now and again in great comfort. The turbo-diesel Volvo 740 estate (above) with automatic transmission combines enormous carrying capacity with luxury and economy.

The ride on relatively narrow Pirelli P4 tyres was much better than other Volvos give you on ultra-low profile tyres, and I was less aware than usual of the simple, non-independent rear suspension. Nice features of the Volvo are an offside driving mirror with a wide angle bit at the end to give a better view of overtaking traffic; and a full-time or intermittent rear wiper, much needed on a wet motorway because the square back sucks up a lot of muck.

Interior space is huge; with the back seat folded down, the load floor is 6 ft long by a maximum 5 ft wide and 2 ft 8 in high (183 cm x 152 cm x 81 cm). I would like to see our friend's daughter filling that with her end-of-term accumulation.

The price is £15,280—but large conventional estates really do not come much better than this one.

The VW Caravelle is entirely different. Based on the Transporter commercial vehicle, it has a 2.1-litre, fuel-injected, liquid-cooled petrol engine at the rear. The Syncro-transmission drives all four wheels, proportioning the power according to road conditions. If the back wheels start slipping, more power goes to the front ones.

Normally, the bulk of the drive is to the back wheels. Combined with high clearance and massive side area, this does nothing for cross-wind stability; and in the gales of a few weeks ago, the Caravelle was as twitchy on the motorway as a nervous horse in traffic for the first time.

It is a surprisingly eager performer—when running partly loaded, at any rate. The claimed top speed is 95 mph (153 km/h) and I easily kept up with the 80-85 mph (128 km/h to 136 km/h) motorway traffic stream.

The gearbox is a four-speeder with an additional super-low first used only in severe conditions off-road. You know the box is a long way away from the lever but the ratios are well chosen. Best feature of the Caravelle is its ride. The comfort on and off the road is remarkable because of very long wheel travel and soft springs. It rides like an air-suspended coach.

The driving position is fairly upright, the view commanding and the seats like thrones. Entry to the rear seats—there are two rows of them—is by a sliding door on the nearside which moves as if on ball bearings. The Caravelle will take up to eight people, with as much luggage space as you find in a large saloon car; or about the same number as a conventional big estate car when the last row of seats is folded.

Because it has no bonnet, it is easy to tuck into parking spaces. The Syncro transmission and under-body protection adds over £4,000 to the price, making the all-wheel-driven Caravelle rather costly at £17,414. But the way it goes off-road in great comfort could be a boon to families whose recreation takes them to out-of-the-way places.

Stuart Marshall

Barra, the Garden of the Hebrides, seen from neighbouring Vatersay

On the road to the isles

GETTING TO the long scatter of the Western Isles is more difficult—and more expensive—for those in the south of England than getting to much of western Europe. Together with a well-deserved reputation for unreliable weather, this has ensured that holiday-bound jets leaving Luton head for Bermuda or Benidorm rather than Benbecula.

A summer holiday travelling between the Outer Hebrides confirmed my suspicion that sun-worshippers need not alter their travel patterns. However, the islands offer a different landscape, language, history and culture and a unique way of life—in short, the fascination of going abroad without losing your luggage at Heathrow.

Flying there from Heathrow or Gatwick is, admittedly, the quickest way of getting there, but also the most expensive. The British Airways Glasgow shuttle connects with its flights to Benbecula and Stornoway, though the sense of going somewhere really different comes best from connecting at Glasgow with the Loganair flight to Barra. The plane is small, the atmosphere friendly, though passengers really should be warned that the large beach they approach at the end of the flight is the island's airport.

The more relaxed approach to the islands is by ferry from the west coast—from Ullapool to Stornoway and from Oban, which can be reached by rail, to Castlebay on Barra and Lochboisdale on South Uist.

The ferries are operated by Caledonian MacBrayne, which has been plying the western seaboard for over a century in one form or another. Few conversations beyond an enquiry about the time fail to include a mention of MacBrayne's, and its doings are the subject of intense discussions — the replacement of a loved and familiar vessel by a more modern one usually being regarded as a sign that civilised life is about to end.

This lifeline to the islands is a godsend to the holidaymakers, giving frequent car ferry access to remote communities and a relaxed look at some of the finest coastal and island scenery on offer anywhere.

The entrance to Castlebay is particularly splendid, with its view of the Barra coast and the beautiful beaches of neighbouring Vatersay giving way to the

village straggling round the bay dominated by the grim walls of the 12th century island fortress of Kisimuil Castle.

The castle, restored earlier this century, is the most complete ancient building in the Western Isles, and the subject of at least two stirring songs of the old days. Such a high opinion did the Macneils of Barra have of themselves that a herald was despatched nightly to the battlements to announce that the Macneil had dined and that the other princes of the world were now permitted to sit down to their supper.

It is at the castle that one of the traveller's main problems with the Western Isles first becomes obvious, for it is a mistake for the curious observer to take the ferry to Kisimuil without first acquiring a proper guidebook. Fascinating building though it is, very little information is provided at the site.

Lack of signposting and interpretation of places of interest is general, especially in Barra and the Uists, where I found no directions to or explanations of any of the places picked out in red letters on the official tourist map. An Ordnance Survey map is necessary for anyone wishing to explore the standing stones and other ancient sites. The energetic young cyclist I overheard in Castlebay enthusing about his intention to visit "early Christian remains" would have pedalled a long way without careful study of a good map.

Even for those whose interest in early Christians is limited, a map of some sort is essential. In Barra and the Uists, all signposts are in Gaelic. There may be something in the southern prejudice that Gaelic is only spoken when a tourist is within earshot, but it is still the first language in many homes. One Castlebay landlady interrupted her conversation with me (in English) to shout at a troublesome dog which, she assured me, only ever obeyed her Gaelic commands.

The best guide to Barra is a booklet available from the tourist information office and published by the Clan Macneil Association of America, whose kilted members will provide a major part of Barra's tourist income this year when they assemble for a clan gathering.

The presence of international clan society members will be one visible reminder of the catastrophic series of clearances in the 19th century which drove thousands from the islands and condemned the rest to poverty. The worst excesses of the Highland landowners sparked a remarkable campaign of civil disobedience in the 1880s which culminated in the 1886 Crofters Act. I was surprised to find such an important centenary not being marked in any way a visitor would recognise.

The modern descendants of the crofters whose doings so alarmed the Victorian guardians of law and order are kindly hosts in the islands' bed-and-breakfast establishments, and their small-scale farming, with its sparing use of chemicals, is one reason for the most striking feature of the islands' landscape — the coastal meadow pasture known as the machair.

The machair lies behind the spectacular sandy beaches on the west side of the islands, enriched by the seaweed piled on it by winter storms and supporting a blaze of summer flowers—Barra describes itself as the Garden of the Hebrides, boasting over 1,000 varieties of wild flowers. A walk on the west side of the islands will have the most flint-hearted anti-botanist stooping to examine the flowers. Where the beaches give way to rocks, seals can be sighted.

The character of the east side of the islands is dramatically different, a rocky coast giving way to moorland and, especially on South Uist, some impressive peaks, attracting a hardier variety of walker. The more contemplative outdoor pursuit of angling is well catered for in the mass of lochs which makes parts of the Uists seem to be composed more of water than of land.

The rugged east also offers a nightmare for drivers on Harris in the shape of one of the few roads in Britain carrying a C classification — a ribbon of tar stretching southwards to the 13th century St Clement's church at Rodel.

Apart from saving the long drive from distant parts of Britain, hiring a car also gives the visitor the option of sampling other ways of getting around. The Post Office operates postbuses, Loganair has inter-island flights, and small passenger ferries connect the major islands with each other and with the smaller islands.

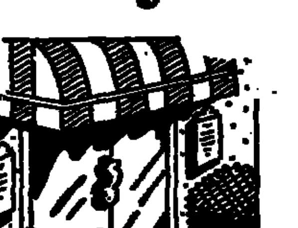
The Macbrayne's schedules are set out most clearly in the excellent brochure published by the Western Isles Tourist Board. There were times when I felt the need of computer assistance to plot my trip, but holiday planners should remember that split-second punctuality is not part of the islands' lifestyle.

● **GETTING THERE:** Loganair (Tel.: 041 889 3181) flies from Glasgow to Barra and links Barra with Benbecula and Stornoway. British Airways serves Benbecula and Stornoway from Glasgow. Sample fares Glasgow-Barra (Loganair) £50.50 single. London-Stornoway (BA) from £159 return. Caledonian MacBrayne (Tel.: 0475 34664/6) offers a number of multi-journey tickets for the outer isles alone or combining with Mull and Skye. Prices £50-£90 for a car, £10-£22 per passenger.

● **STAYING THERE:** bed and (enormous) breakfast £6-£10 a night, dinner B&B £8-£15. The more expensive places often feature excellent cooking, such as Heisker Guest House, Liniclate, Benbecula (0870 2235). There are a few luxury hotels, such as Scarista House on Harris (085985 238). Further information from Outer Hebrides Tourist Board, 4 South Beach Street, Stornoway, Isle of Lewis. Tel.: 0851 3088.

Tom Lynch

From Goya to grand luxe



A TOUCH OF CLASS

Michael Thompson-Noel is torn between the Prado and the Ritz, Madrid

FROM THE portals of the Ritz Hotel, Madrid, on the Plaza de la Lealtad, to those of the Prado Museum is but 100 yds. In short, with just a skip and a jump you can transport yourself from the belle epoque luxury of the Ritz and its surrounds into the astonishing spatial presence of Velázquez's Maids of Honour (*Las Meninas*), or to the bedside of Goya's *Maja*, first clothed, then nude.

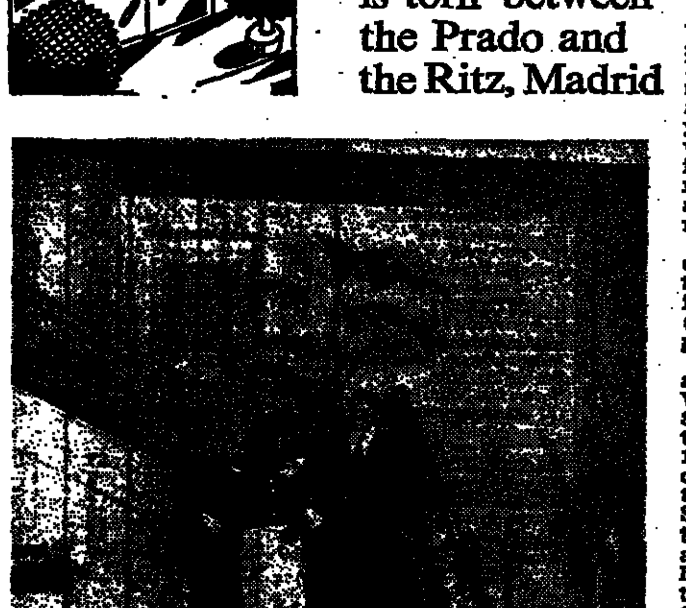
Numbed and intoxicated, one's best course of action is then to rush back into the Ritz and order tea, which is served with great panache amid palms and Chinese vases, 19th century tapestries, and timorously-ticking clocks.

Because it is a genuinely *grand luxe* hotel and not a tinselled imitation, the Ritz of Madrid is bigger than one suspects. It has 178 rooms, including 26 suites. But the scale and feel of the place are right, and because it seems to be operated by the plucking of invisible threads and the working of silent cogs, its atmosphere is intimate and effortlessly refined.

Concerned that turn-of-the-century Madrid was a poor cousin of richer Europan capitals, King Alfonso XIII set out to endow the city with a first-rate hotel by approaching César Ritz. Designed by Charles Mewès, the hotel opened in 1910. By 1981, when it was bought by Trusthouse Forte (THF), it had lost all its Beaux-Arts glamour and was dowdy and depressed.

Like the phoenix, however, it has risen again. Under the gaze of its executive director, John M. Macedo, the Ritz Madrid is now near the end of a five-year, £8m refurbishment programme—it prefers the word "refreshment"—that has restored it to glory.

The sumptuous French furniture has been refurbished, tapestries have been cleaned. The chandeliers glint ritzily, bedrooms have been immaculately redecorated (none has been altered or diminished in size). And the carpets—handwoven by the Royal Factory—have been repaired or replaced at a cost per square metre that would stop a Rothschild in his tracks. The result: a perfect marriage between Edwardian style and late 20th century efficiency.



The elegant staircase of the Ritz Hotel, Madrid

And the food is excellent, for there are two head chefs: Eustaquio Becedas, currently bemedalled by the Ministry of Culture and Tourism as the best national chef in Spain, and Patrick Buret, a Frenchman in his early 30s whose insistence on the use of local ingredients and materials such as fresh Spanish salmon and home-cured hams and sausages, results in a dazzling procession of inventive dishes.

Nor do you have to stick to the restaurant to eat—and be served—like a hero from the bullring. One night, in my room, I had a salad, cold meats and cheese. "When do you want your ice cream?" asked the waiter. "In seven minutes, or in 10?" No one has ever asked me that. When the ice cream arrived, it was at *precisely* the right temperature.

None of this comes cheap, of course. Until next December 31, the Ritz rate for a double room is from Pta 34,000 to Pta 48,000 (say £177 to £250) per person *per night, excluding* breakfast.

But there are deals and packages. For example, Crown Weekends at the Ritz cost Pta 82,500 per person in double/twin accommodation (Pta 122,500 single). The price includes two nights' accommodation between Thursdays and Sundays inclusive, liveried limo transfers, American breakfast, a bottle of vintage sherry, a luncheon or dinner, a visit to the bullring/opera/theatre/flamenco, a half-day excursion with English-speaking driver to El Escorial, Toledo, or Aranjuez, a guided tour of the Prado, and an embroidered Ritz bathrobe and shoulder bag.

Alternatively, from October to February, there is packaged partridge - shooting at La Flamenca, an estate belonging to the Duke of Fernán Núñez, less than an hour south of Madrid. Prices per gun start at Pta 450,000; for accompanying non-shootists sharing the same room, at Pta 80,000.

For short breaks, Madrid is one of Europe's most underrated capitals. But it beckons, as does Goya's *Maja*, first clothed, then nude.

● The Ritz is at Plaza de la Lealtad, 5. 28014-Madrid, Spain. Tel: (91) 221-28-57, 521-28-57. Telex: 43986 RITZ-E. Cable: RITZHOTEL.

New Homes

Country Homes

• PROPERTY •

John Brennan looks at a 'gold rush industry'

Timeshare snares

ACCORDING to London lawyer James Edmonds, a specialist in timeshare legislation: "The media has been concerned with selling tactics and there have been steps to improve the situation. But the more fundamental problems have not yet been addressed properly."

Edmonds, of legal firm Edmonds Bowen and Co, wrote *International Timesharing*, which remains the standard work on the legal aspects of the business on this side of the Atlantic. And those "fundamental problems" he can see stem in part from the fact that "there is no legal infrastructure for timesharing across Europe. When buyers part with money, there should be proper title and the place should be properly run."

Modest enough requirements, and yet not so easy to achieve given what Edmonds describes as "the gold rush industry" state of the timeshare business in Europe. He adds: "We have about seven years' catching-up to do with the American market—it has been big business in America for 10 years or so. It is only in the past three years that it has reached that stage over here—so I would expect that we will move from 279 resorts (last year) to 2,000 timeshare resorts over those next few years."

That pace of growth creates its own problems. Edmonds says of developers: "A number of people are rogues, but there are far more people who are not rogues, yet who are under-capitalised. I've got a feeling we are going to see a fair number of collapses."

Speaking recently at a Law Society conference on Timeshare and Property Fraud (an unintentionally provocative conjunction of subjects), Edmonds reviewed the range of different timeshare structures used across Europe and how far each country's legal system provides for rights of multiple-ownership.

He confirmed the picture of Spanish lawyers worrying their way through the process of creating a draft law on timeshare. Their counterparts in Greece have yet to see how the recently introduced law on timeshare lease contracts will be *applied* in practice.

In contracts, French corporate laws do now provide for clarity of title and strict supervision of developments, including requirements for bank guarantees, providing that the purchasers of pre-sold units have an effective right to their money back if a scheme is not completed.

Edmonds points out that the different but seemingly equally comprehensive regulations that now apply in Portugal do have a fair number of weak points. One key problem is that the certification of timeshare rights cannot be completed until the whole development is itself completed and registered. In the interim years, individual timesharers may have bought no more than a developer's promise, which can be perfectly valid but which could—*in extremis*—leave them in the position of unsecured creditors if he goes bankrupt.

The differences in treatment of timeshare purchase are sufficiently marked to further underline the importance of Euro-MP Edward McMillan-Scott's campaign in the European Parliament. As part of a wider move to harmonise the laws relating to cross-border property purchases in Europe, McMillan-Scott is working to get agreement on binding, Community-wide regulations that would provide for a basic level of consumer protection on timeshare schemes.

'A number of people are rogues but there are far more who are *under-capitalised*'

As Edmonds says: "The problem of providing some degree of consumer protection for timeshare purchasers is urgent." He accepts the frailty of the usual suggestion that buyers should seek professional advice. As far as legal advice is concerned, he says: "The trouble is that if you are spending an average of, say, £5,000 or £6,000—or even £10,000 to £12,000—no one is going to have proper searches done and employ a lawyer in the UK and overseas."

Seeking the advice of your own lawyer, bank manager or accountant is necessarily a hit or miss exercise since it is highly unlikely that a non-specialist professional would have any clearer idea of the advantages or disadvantages of a timeshare scheme than you.

The Law Society's international relations department (01-242 1222) can help by providing a list of contacts with English-speaking lawyers active in the country where you are planning to buy. There is also a free service from the European Holiday Timeshare Association (EHTA), which does provide an effective basis for comparing a development's sales material with the known facts about that scheme and its promoters.

The EHTA (112 Westbourne Grove, London W2, tel 01-221 *9400) is financed by a group of 30* developers but its role is to provide as full an information service as possible on any European timeshare scheme in which a buyer is interested. Complete files have been created on more than 100 *resorts so far, and the* association meets requests for information about any development not already on file by sending out its checkers to fill the gap.

The association's reports include a legal analysis of the development, information on the developer, the marketing operation, the management company and the actual ownership of the scheme. Copies of completed and updated reports are sent to the subject developers for comment, but its own research results are amended only if the developer provides adequate supporting documentation to justify the change.

After requests for information on developments, one of the most common queries at the EHTA is: "How do I go about reselling?" The association can give information on that, too, but it does make the general point that it is "very, very difficult."

If you can sidestep the legal land-mines, avoid the rogue developers, and retain sufficient enthusiasm not to test the *resale market, what of long term* management? Here, the Timeshare Developers Group's recent publication, *Timeshare, an Introduction to the Holiday Timeshare Industry*, provides a cheery answer.

Once a scheme is completed and owners are able to take on the management responsibility, the TDG's booklet suggests: "This is when the true nature of ownership will become apparent to the timeshare buyers; they are able to decide for themselves the level of service and facilities they wish to enjoy at their resort, through such structures as annual general meetings or via a management committee."

The publication goes on to say: "As a comparison, the timeshare resort will function rather like a normal residential apartment block in the UK where an annual service charge is projected for the coming year with all residents involved in the assent to that figure."

The booklet goes on to talk about the management company "running everything beautifully." But it is the "after agreement" bit that strikes a mildly off-key note. How do you *get agreement from a timeshare* resort's owners?

The aggressive politicking that goes on in the democratic management of one of those UK residential apartment blocks with, say, 50 separate tenancies, would make Machiavelli's Florentine intrigues look like a Care Bears' script. Arranging, as the TDG suggests, an annual general meeting for a similar-sized timeshare scheme—with its potential 2,500 owners, only 2 per cent of whom would be resident at any one time—just staggers the imagination.

It would not, of course, be impossible for timeshare owners to run a completed scheme through a duly elected management company. And where developers have pitched management charges in the early years at a suitable level to allow for long-term depreciation—so that future major repair and maintenance works can be financed from an established fund—the problem of finding that half the owners don't want to stump up an exceptioinal capital charge one year should not arise.

Nevertheless, the on-going management of timeshare developments is always going to be something of a gamble in schemes where the developer's sole or prime interest is to sell properties and to move on.

That sell-and-move-on style of developing remains the most common approach. The alternative philosophy is illustrated neatly by the thinking behind the timeshare development at Craigendarroch in Deeside, not far from Balmoral.

At Craigendarroch, the developer has two profit sources. One is from the sale of timeshare units but the other is from the continuing sale of services in the form of a luxury hotel and first-class restaurant that stand at the heart of all the now near-standard facilities for leisure and recreation of a quality timeshare resort.

Timeshare buyers at Craigendarroch, and at other schemes where this dual-business approach has been applied, are able to see that the developer's investment extends well beyond the provision of units of accommodation for sale. It is a permanent commitment to the resort that ensures a continuing commercial interest in making sure that standards are maintained, whatever the vagaries of owner-democracy.

The best of manors . . .

THERE ARE more impressive country houses. There are certainly plenty of homes with a more dramatic history. There are a whole host of properties with bigger and better gardens, longer credits in the architectural textbooks, better access, better outlook . . . but for all that, Avebury Manor (pictured) is one of the loveliest houses in England.

Avebury, a mile or two off the A4 on the north Wiltshire downs, is itself one of the country's most extraordinary villages. It is built in and around the vast prehistoric bank, ditch and standing stones that together dwarf nearby Stonehenge. The National Trust adopted the village and in recent years has improved its facilities for visitors although, to some extent, at the expense of its timelessness.

The manor, a Grade 1 listed house dating from 1557, faces the Saxon church of St James's — and the National Trust's imported duck pond and craft barn — but stands in 18.75 acres of grounds and gardens that help to isolate it from the tourist traffic.

A 10-bedroom home (with a self-contained three-bedroom staff wing and separate three-bedroom cottage), Avebury Manor is 80 miles from London by road — lying 14 miles off junction 15 of the M4 — and just six miles from Marlborough. Hampton and Sons' Robin Merrett (01-493 8222) expects offers around £1m.

London Property

Overseas Property

Rentals

ANY unconverted period house in Haywards Heath, Sussex, is worth a second glance. When it is a Grade II listed Carolean farmhouse (pictured) with four acres of outbuildings, stabling and gardens, the costs of a complete renovation start to be counterbalanced by the opportunity to get a house built more than 300 years ago (in 1660) and which is only 2.5 miles from the station (45 minutes to Victoria or London Bridge) and 18 miles from Brighton. John Husband, of Humbert's Lewes office (0272 478828) is looking for offers over £190,000 for the freehold.

SIGNBOARD

LADBROKE GROUP PROPERTIES has decided to abandon the term "penthouses." "The name means so many different things to different people that it is too confusing," says spokesman Geoff Lennard. Instead, enter stage left the "skyline" apartment, which is just what it says: an apartment on the skyline.

The first of these is a five-bedroom duplex with 3,584 sq ft of space atop Ladbroke's newly-built scheme in the Hyde Park Estate.

Once known as Tyburnia, much of this area, just west of Marble Arch and north of Hyde Park, is owned by the Church Commissioners. The first comprehensive plans for the estate were, in fact, drawn up by Samuel Pyps Cockerill, architect to the Bishop of London at the beginning of the 19th century. Although it is a new building, Ladbroke's five-flat scheme follows the road line and the turretted design of the original buildings on the corner site at 50 Gloucester Square, W2.

An entirely new design was ruled out. Lennard says: "You have got to blend-in with the area, and so the facade does recreate the standard of building of the squares. It gives the place its particular style."

That style would cost you £1.2m for the big skyline home. The other flats in the block range from a 2,206 sq ft, three-bedroom apartment for £485,000 to a couple of 2,088 sq ft, four-bedroom flats costing £625,000. Chesterton (01-262 5060) is sole agent on the scheme.

●

THE FINANCIAL services revolution is not always a matter of high-tech screens and sophisticated cross-selling of services from the newly formed financial conglomerates.

East Sussex agent Clifford Dann & Partners reports that the old-style "introduction fee" can still be effective and says: "Until the autumn, building societies, banks and other financial institutions were falling over themselves to lend money. One lending bank even wrote to estate agents in the area offering £50 for 10 mortgage introductions, or a bottle of whisky for five!"

It will be interesting to see if the parliamentary draftsmen allow for such do-it-yourself commissions in the Financial Services Bill.

In any event, according to the agent, ease of access to mortgage finance meant that country houses in East Sussex increased in value by more than 21 per cent last year while the increase for a three-bedroomed semi was even more pronounced at 24 per cent. Dann notes: "One especially interesting feature has been the almost total absence of foreign buyers. Virtually without exception, all the highly-priced properties that we have sold have gone to buyers from within the UK."

As for this year, since the relaxation of planning restrictions on farmland is nothing like as dramatic as the debate it sparked off in parliament, Dann sees demand continuing to run well ahead of supply.

John Brennan

●

HOUSE PURCHASERS and vendors — and house improvers of all kinds — will find much to reduce their level of stress in *Homeowners Guide**, a readable compendium of useful facts and advice.

Sponsored by the Anglia Building Society and edited by Rosemany Burr, nine chapters and a handy glossary of terms cover most worries and difficulties that commonly arise in house-buying and funding — with insurance, decorating advice, gardening tips and a "moving on" strategy thrown in for extra measure.

First-time buyers — and those who never understood what they were doing in the first place — have the bewildering variety of mortgage schemes unravelled for them. Checklists and tables are clearly laid out.

Written in an easy going, conversational tone, *Homeowners Guide* should have a steadying effect on anyone about to take the great leap into the dark of making that most expensive purchase — especially if you take the trouble to mark up, with a brightly-coloured felt pen, sections covering topics you are likely to need to think about again.

** Homeowners Guide (Rosters Ltd, £5.95).*

Gay Firth

Country Property

Rentals

Overseas Property

SAVILLS

OXFORDSHIRE — 1,566 ACRES
Near Bicester
Oxford 17 miles, London 62 miles, Banbury 9 miles, proposed M40 3 miles.

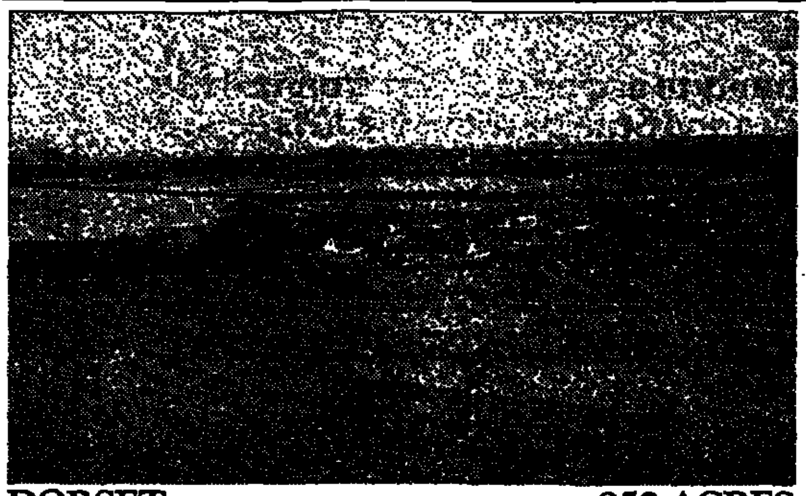
TUSMORE PARK ESTATE
OUTSTANDING AGRICULTURAL AND RESIDENTIAL ESTATE.

One of the most distinguished country houses built since the war having 8 bedrooms with bathrooms en suite. Built in 1965.

Beautiful, *easily* maintained gardens with 6 acre lake.
Secondary house – 5 bedrooms plus nursery wing.
Farmhouse and 18 cottages.
852 acre farm in hand.
284 acres of woodland in hand.
Two let farms totalling 389 acres.
Excellent shoot.

For sale freehold by private treaty in one lot as a going concern.

Savills, Wimborne. Tel: (0202) 887331 and Savills, London.



DORSET — 952 ACRES
Near Dorchester

THE WHITCOMBE MANOR ESTATE
HIGHLY PROFITABLE ARABLE FARM.

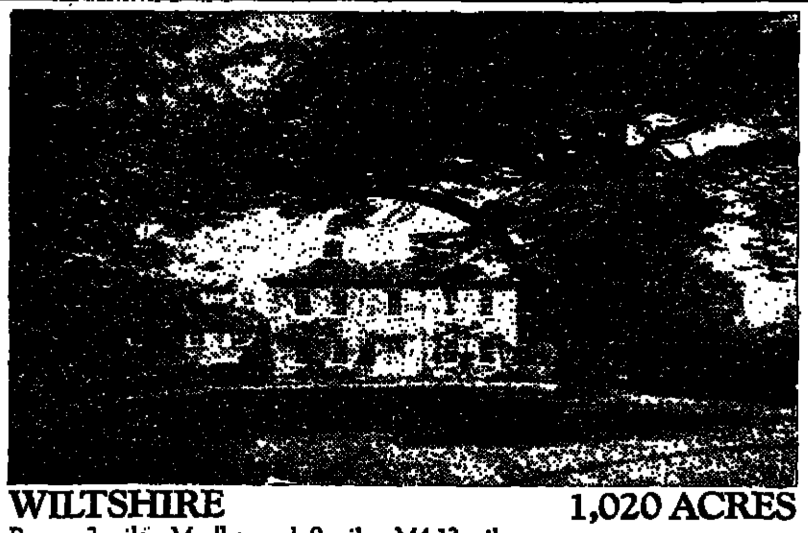
Manager's house and 3,000 tonnes grain storage.

Substantial residential properties including:

Listed stone manor house.

Private hamlet of Whitcombe
including 7 thatched cottages and 2 large barns.

Savills, London. Tel: 01-499 8644 and
Savills, Wimborne. Tel: (0202) 887331.



WILTSHIRE — 1,020 ACRES
Pewsey 3 miles, Marlborough 9 miles, M4 13 miles,
London Paddington 65 minutes.

THE MANNINGFORD BRUCE ESTATE
AN IDYLLIC ENGLISH ESTATE IN THE VALE OF PEWSEY.

Listed manor house. Farmhouse.

6 cottages

2 vacant farms with 805,000 litre milk quota and grain storage for 720 tonnes.

Woodland and fine shoot.

For sale as a whole.

Joint Agents:
John German, Ramsbury. Tel: (0672) 20691.
Savills, London. Tel: 01-499 8644 and Savills, Salisbury. Tel: (0722) 20422.

HERTFORDSHIRE — 129 ACRES
Sawbridgeworth
London (via M11) 29 miles, Bishop's Stortford 5 miles.

An exceptional residential and agricultural estate.

Superb predominantly Georgian house comprising 5 reception rooms, 10 bedrooms, 5 bathrooms. Billiard room and squash court.

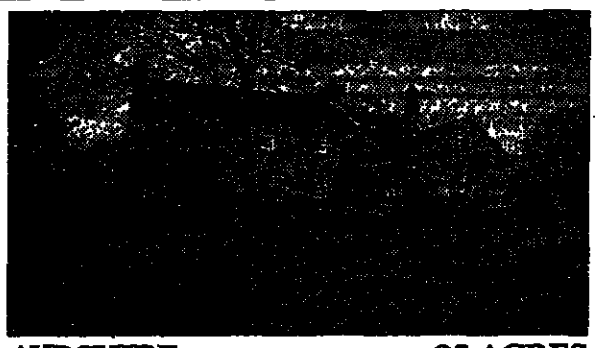
Delightful grounds including parkland, formal gardens, tennis court, swimming pool and walled kitchen garden.

Stable cottage, detached cottage, lodge, pair of cottages.

Good range of farmbuildings and productive grade 2 & 3 land.

For sale as a whole or in 3 lots.

Savills, London. Tel: 01-499 8644.



AYRSHIRE — 95 ACRES
On the River Doon
Ayr 4 miles, Glasgow 37 miles.

One of Ayrshire's most attractive estates with a charming 18th century house and cottage, stabling with well fenced paddocks, together with a beat on the River Doon.

Brae of Auchendrane House: 3 reception rooms, office and utility room, kitchen, 5 bedrooms and 3 bathrooms.

Modernised cottage. Stabling with 7 loose boxes.

75 acres of arable land with farmbuildings.

½ mile of salmon and sea trout fishing.

Savills, Edinburgh. Tel: 031-226 6961.

ESSEX
Earls Colne
Coggeshall 4 miles, Kelvedon Station 7 miles, (Liverpool Street 45 minutes), Access A12 9 miles.

Outstanding 18th century country house modernised to a high standard with beautiful secluded grounds.

4 reception rooms, 6 bedrooms, 6 bathrooms, staff flat.
Hard tennis court, indoor/outdoor swimming pool, squash court. Garaging.
Frontage to River Colne. Lake.
Stabling. Paddocks.

About 20 acres.

Savills, Chelmsford. Tel: (0245) 269311.

HAMPSHIRE — 291 ACRES
West Meon
Petersfield Station 9 miles, Waterloo 62 minutes, M3 (access) 13 miles.

One of Hampshire's most distinguished Queen Anne houses with a renowned garden and a beautiful parkland setting.

Main House: 4 reception rooms, 8 bedrooms, 5 bathrooms, 6 secondary bedrooms, staff annexe, outbuildings, gardener's cottage. About 28 acres.

Farm (Let): 4 bedroomed farmhouse and 255 acres.

Further cottage.

For sale as a whole or in 4 lots.

Joint Agents: Dreweatt Neate, Winchester. Tel: (0962) 53374 and Savills, London. Tel: 01-499 8644.

SURREY — About 75 ACRES
Peaslake
Guildford Station 9 miles, Waterloo 47 minutes, M25 Access 10 miles.

Luxurious Georgian country house.

5 reception rooms, luxury kitchen, breakfast room, master bedroom with 2 dressing rooms and bathroom, further 6 bedrooms, 4 bathrooms (2 en suite).

Indoor swimming pool complex, hard tennis court, outbuildings, garaging, attractive grounds.

2 cottages, woodland, 18 acres pasture, 51 acres let land.

Savills, London. Tel: 01-499 8644.

MORAYSHIRE/INVERNESSHIRE 1,773 ACRES
Speyside woodlands
1,773 acres (718 ha) of conifer woodland–mainly Scots Pine.
Situated in the Badenoch and Strathspey district renowned for timber quality, history and beauty.
Lot 1 is adjacent to the Old Caledonian pine forest and Loch Garten R.S.P.B. nature reserve for ospreys.
Good public road access and convenient for markets.
Mixed ages but predominately 15-27 years old with some compartments income producing.
Offers over £700,000 (£395/acre).
For sale as a whole or in 5 lots with vacant possession.
Savills, Edinburgh. Tel: 031-226 6961.

SURREY — 41 ACRES
Bletchingley
Redhill Station 3 miles, Victoria/London Bridge 30 minutes.
M23/25 3 miles, Central London 20 miles.

Luxurious Grade I 'Inigo Jones' country house.

Reception hall, 3 reception rooms, billiard room, gymnasium, sauna, 6 bedrooms, 5 bathrooms (including 2 suites), playroom.

Heated swimming pool, hard tennis court, garaging, outbuildings.

Two 3 bedroom cottages.

Formal walled garden, grotto, secret tunnel, paddocks.

Savills, London. Tel: 01-499 8644.

WARWICKSHIRE
Upper Tysoe
Banbury 9 miles, Shipston-on-Stour 4 miles, Stratford-upon-Avon 10 miles.

Historic Grade II *manor house with potential for a variety of* alternative uses and residential development.

4 reception rooms, 7 principal bedrooms.
3 secondary bedrooms, 6 bathrooms.
Stables, garaging, workshops.
Cottage: 2 reception rooms, 3 bedrooms, 2 bathrooms.
About 12¼ acres.
Offers around £375,000.
For sale as a whole or in 2 lots.

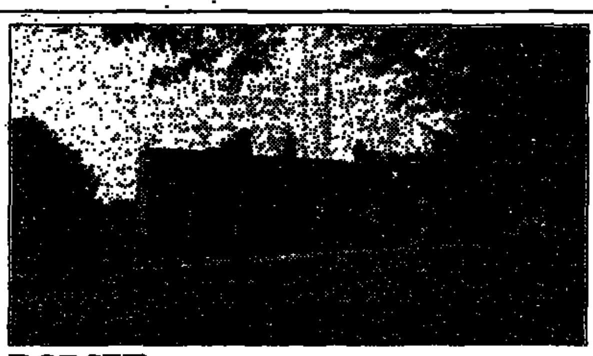
Savills, Banbury. Tel: (0295) 3535.

SUFFOLK
Walberswick
Norwich 30 miles, Southwold 8 miles, Aldeburgh 8 miles.

Most lovely listed Grade II timber framed 15th century house situated at the centre of conservation village on the Heritage coast.
Garage.
Outbuildings.
Gardens.
About ½ acre.
Offers over £150,000.
Joint Agents: Bedford, Bury St Edmunds. Tel: (0284) 2822/68940 and Savills, Norwich. Tel: (0603) 612211.

COUNTY DURHAM — 78 ACRES
Gainford
A1(M) 6½ miles, Newcastle 35 miles, Teesside 15½ miles, Darlington 5½ miles, Kings Cross 2¾ hours.

Attractive small country estate with fishing on the River Tees.
Former private house presently converted into 5 vacant apartments suitable for a variety of uses (subject to planning permission).
Courtyard, stables, garages and outbuildings.
Garden and grounds.
Paddock and arable land.
3,622 yards fishing on the River Tees.
For sale as a whole or in lots.
Savills, York. Tel: (0904) 20731.



DORSET
Witchampton
Wimborne 4 miles, Bournemouth 14 miles, London (Waterloo) under 2 hrs.

Outstanding Grade II village house dating from the 16th century with spacious accommodation and attractive grounds.
Hall, 4 reception rooms, domestic offices, 9 bedrooms, 6 bathrooms.
5 secondary bedrooms and bathroom.
Cellar. Central heating. Garaging.
Superb garden and grounds in part adjoining River Allen.

About 7 acres.

Savills, Salisbury. Tel: (0722) 20422 and
Savills, Wimborne. Tel: (0202) 887331.

NORFOLK
Norwich 20 miles.

Fine period house in most lovely secluded setting in the Waveney Valley.

Unmodernised small cottage.

Double mooring plot.

Gardens and grounds.

About 3¼ acres.

Region of £250,000.

Savills, Norwich. Tel: (0603) 612211.

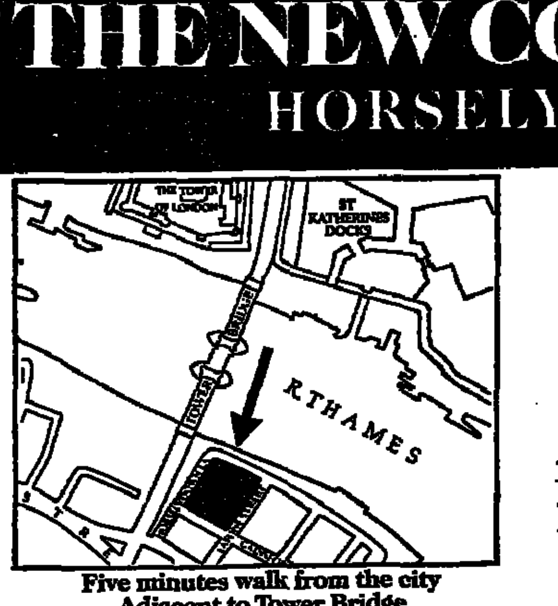
01-499 8644 20 Grosvenor Hill, London W1X 0HQ

LONDON BANBURY BOURNEMOUTH BRECHIN CAMBRIDGE CHELMSFORD EDINBURGH HENLEY HEREFORD LINCOLN NORWICH SALISBURY WIMBORNE YORK
HONG KONG Associates: FRANCE THE NETHERLANDS THE UNITED STATES OF AMERICA

London Property

'THE NEW COVENT GARDEN'
HORSELYDOWN SQ. SE1

BERKLEY HOUSE PLC



Five minutes walk from the city
Adjacent to Tower Bridge

An excellent opportunity to acquire 1,2,3 bedroomed flats – stunning Penthouses and Studios with only 10% deposit now and completions in some cases up to 18 months time, in a square already being described as 'The New Covent Garden'.

PRICES FROM £94,500 for studio and £345,000 for Penthouse Apartments
FOR INVESTMENT OR IMMEDIATE OCCUPATION

SALES OFFICE
1 GAINSFORD STREET
LONDON SE1
Open 7 days a week
11am-4pm

OPEN TODAY

CLINTON-SCOTT
NEXT TO TOWER BRIDGE
01-403 1176

TOWER BRIDGE

RIVER THAMES

E.A.SHAW
01-403 7250

PROVIDENCE VILLAS
BRACKENBURY ROAD LONDON W6

Exceptionally Spacious, Architect Designed 3/4 Bedroomed New Town Houses of Superb Quality, with 10 Year NHBC Guarantee

NHBC OUTRIGHT WINNER GREATER LONDON 1986
"The Building Industries Supreme Award For Quality"

Last Two Remaining.

Warning for the Discerning Purchaser
Do not think of purchasing a new property or refurbishment in the barren wastes of Docklands or other saturated 'in areas' where our competitors are entrenched until you have seen the reason why Providence Villas was voted No.1 in London for 1986.

Value & Quality Unbeatable
Prices from the low £220,000s Freehold

View Show House by Appointment only.

Agents

Chesterton – Prudential
118 Glenthorne Road, Hammersmith
London W6
Tel: 01-741 2102

Whiteman Porter
172 King Street, Hammersmith
London W6
Tel: 01-748 4256

Farmrose Property &
Development Co LTD
The Show House, 1 Providence Villas, Brackenbury Road,
Hammersmith, London W6 0BA
Tel: 01-749 7379

Alan Selby & Partners
CASCADES
2-4 WEST FERRY RD E14
Tel: 01-538 5421

46 GLENHURST AVENUE LONDON NW5
A conversion of 2 newly modernised delightfully original apartments, situated on the foothills of Parliament Hill. Interior designed kitchen, luxurious bathrooms, spacious living accommodation.
Prices from £115,000
For colour brochure contact:
Ellis & Co
3 Highgate West Hill,
Highgate,
London N6 6JS
Telephone:
01-348 4444
Open viewing:
Sunday 26 April, 2-5 pm

Harrods
ESTATE OFFICES
MAYFAIR, W.1
Virtually rebuilt period property adjacent to the Hilton Hotel providing 4 x 2 bed/2 bath flats 2 x 2 Studio Flats + 2 Mezzanine Rooms
Full vacant possession
Leasehold 17 years
Offers in the region of £550,000
TEL: 01-409 9200

Barrington Laurance
GROSVENOR SQUARE
MAYFAIR W.1
A most impressive newly decorated flat in one of London's most exclusive garden squares in the heart of Mayfair
3 bedrooms, 3 bathrooms, dining room, study/bedroom 4, cloakroom
2 very large reception rooms, 1 with swimming pool
Price £550,000
Lease 82 years
Barrington Laurance
TEL: 01-409 2222

CLIFFORDS INN FLEET STREET EC4
A rare opportunity to acquire an IMMACULATE LUXURY "PIED A TERRE" IN THE HEART OF THE CITY & CLOSE TO THE LAW COURTS
2 Beds, large recep, fully fitted kit/utility, bath, fitted carpets and curtains, 24 hr porterage and high security. Lease 62 years
£145,000
COPPING JOYCE
TEL: 01-226 4221

CLUTTONS
EGERTON TERRACE, SW3
First time advertised, outstanding, low built, end of terrace, Regency house. Magnificent 42ft Drawing Room, good family accommodation on only 4 floors. 4 Bedrooms, 2 Bathrooms, Kitchen/Breakfast Room, Cloakroom. Staff Bedroom with Shower Room. Gas CH. Roof Terrace, Front and Rear Gardens.
LEASE 47½ YEARS - OFFERS OVER £825,000

PAVILION ROAD, SW1
A stunning Luxury Mews House in wonderfully quiet position between Sloane Street and Cadogan Square. Large elegant Reception Room, 3 Bedrooms, 2 Bathrooms (en suite), Shower Room, Kitchen, Garage.
LEASE 72 YEARS - £410,000
Joint Sole Agents: Maskells - Tel: 01-581 2216

127 Mount Street, Mayfair, London W1Y 5HA, Telephone 01-499 4155
Also at London – Westminster, Kensington, Chelsea, Arundel, Bath, Canterbury, Edinburgh, Harrogate, Oxford, Wells, Bahrain, Dubai, Kuwait, Sharjah.

SW14 MORTLAKE/BARNES BORDERS
Unique interior designer's own apartment. This outstanding self-contained 2 bedroom modern flat is ideally located close to Barnes village with easy access to Heathrow and West End. Enjoying the benefit of a large south facing garden this exciting apartment is offered fully furnished ready for immediate occupation. Ideal company purchase. Lease 125 years, price £125,000.
TEL: (Day) 01-730 4218

GROSS FINE
Surveyors & Estate Agents

UNMODERNISED FREEHOLD HOUSE Full of immense charm, style and grace with well proportioned accommodation. Delightful 30 ft rear garden and attractive front gardens. Set well back from a quiet, highly sought after road between South Kensington and Earls Court. 4 beds, 2 baths, 3 receps, kit. Unique opportunity and price to sell at £325,000.
MAGNIFICENT FREEHOLD HOUSE Beautifully decorated and attractively fitted throughout. Within a few moments walk of Dorset Square, Marylebone Station and Regents Park 3 beds, 2 baths, 2 double receps, large beautifully fitted kit, cloaks, patio. Sun trap roof terrace. Inspection recommended. £290,000.
WHY POINT WEST? When you can purchase a bright, 7th floor apartment in Sloane Street, only a few moments' stroll from Harrods, Hyde Park and Belgravia. 2 double beds, bath, recep, kit/break. 67 yrs. Only £210,000.
MAGNIFICENT NEWLY MODERNISED 3 bed Flat on 4th floor of popular P.B block opposite Lords Cricket Ground. Large bright rooms with high ceilings throughout. Huge entrance hall, recep with balcony facing Lords. 3 beds, new K & B. 122 yrs. £182,500.
27 PRINCESS ST., HANOVER SQ., LONDON W1R 8NQ
Tel: 01-493 3993

CHESTERFIELD HOUSE MAYFAIR W1
A superbly refurbished apartment on 4th floor of one of Mayfair's finest blocks
Lift, 24 hr porterage, parking
Magnificent double recep, luxury German kitchen, study area
3 beds, 3 en suite baths
Ready for immediate occupation
124 years £425,000
Sole Agents:
LASSMANS 01-409 2020

A delightful 1st floor Pied-a-Terre on the Chesterfield Gardens side of the block
2 beds, double aspect recep, lux kitchen, marbled bath and sep wc. Beautifully presented
124 years £225,000
Sole Agents:
LASSMANS 01-409 2020

DULWICH GATE, LONDON, SW7 — £350,000-£430,000. Two superb, newly-built Houses, located in this much admired and secure cul-de-sac minutes from Dulwich Village and the College. Easily accessible for the City and West End. Semi-detached Coach House with 3 bedrooms, 2 bathrooms, and 2/3 receptions. Detached Cottage comprising 4 bedrooms, 3 bathrooms and 2/3 receptions. Sole Agents: Chestertons Prudential. Pimlico Office: 01-834 9998.

BARBICAN, Andrewes House, spacious sunny, 1/2 Bedroomed Flat with lake view. £110,000. Tel: 636 0794.

BARNSBURY, N1. Immaculate newly renovated 5 Bed 3 bath Georgian house. F/H £319,000. Phone 01-226 4659.

THE STABLES, 3-5 Leigh Road, N5. A superb development of 5 town houses situated close to Highbury Fields. 27 acres of open park land and only a short walk from excellent transport facilities. With a choice of 2 or 3 bedrooms, luxury fitted kitchens, 2 baths, patio garden, garage, 10 year NHBC. Prices from £154,000 to £185,000. Show House open Sunday 2 pm to 5 pm., or after Stickley and Kent 359 8243.

OAKLEY CRESCENT, EC1. An impressive Conversion Architect Studio, almost unique accom. Ideal pied-a-terre, easy access to city. Attractive accom. offers 24ft recep, kit, bed, galleried landing/bed 2, bath, garage, gas C/H. Price £137,500 F/H. Stickley and Kent, 359 8243.

Rentals

COMPANY LETS SHORT AND LONG
NEAR MARBLE ARCH
Fully Serviced Apartments
DUKE

Studio	from £150 pw
1 Bedroom	from £250 pw
2 Bedroom	from £350 pw
3 Bedroom	from £450 pw

14 Elm Court, 11 Harrowby Street
London W1
Tel: 01-723 7077/258 3669
Telex: 24141 DUKEAP - Fax: 724 6828

Plaza Estates RENTALS
VICARAGE GATE, W8
Lovely new conversion in prime Kensington location close amenities 3 beds, 2 bath (1 ens), split level recep rm, excellent ff kit, video e/phone. Available now for long let £450 pw - Tel: 01-581 7646
01-724 3100 01-581 7646

RIVERSIDE APARTMENT W6
Superb 2 bedroom apartment fronting Thames on Hammersmith Mall in prestige new apt. block Own parking. Ideally situated both for West End and Heathrow
Available for long company let
£250 per week
Contact A. Williams - Tel: 584 7011 Extn 389 day - 394 1828 Eve/W/end

Overseas Property

FLORIDA U.S.A.
SARASOTA
PRIME BUILDING SITE FOR SALE
40,500 sq. ft., zoned Commercial. Fronts on North Washington Boulevard (SR301). Access from 3 other streets. Just steps from County Courthouse. Apply:
Park Mayfair Ltd, 18 Holdenhurst Road, Bournemouth BH8 8AD, Dorset, England, 0202-295923

PENTHOUSE CANNES
Near the old harbour, 140 sq m housing space, 200 sq m Terrace
View of 360 degrees
DM 795,000.00
Write Box T6495, Financial Times 10 Cannon St, London EC4P 4BY

JUST OVERSEAS
Property Brokers
MAGNIFICENT CHATEAU
IN THE DORDOGNE
with over 400 acres including farms, vineyard and priory
FFr8,000,000
Many smaller properties available
Please telephone Martin Monk (0743) 64108

Menorca Country Club Playas de Fornells
The finest and most exclusive development of beautiful Studios, Apartments, Garden Villas and individual Villas, set in lush gardens, overlooking the sea, in the Balearics. New phases starting now.
Prices £22,000-£100,000+
indoor/outdoor pools, country club, full sports facilities
Contact the developers:
(Bob Mathews) Mon-Fri
(0532) 243104/243168
for colour brochures and details of weekend inspection visits in May/June by scheduled airline

Property Management in Brussels
EXPERIENCED TEAM
- PROJECT MANAGEMENT
- PROJECT SURVEY
- RENTING
- PROPERTY MANAGEMENT

Call or write
OFFICE SPACE MANAGEMENT
a division of
GERIM S.A.
AVENUE DES ARTS, 24
1040 BRUSSELS
02/230.40.10

MARY SOL—Health and fitness centre. Los Cristianos, South Tenerife. 1 or 2 Bed Appts. Full/Co ownership. Special facilities for disabled people. Swimming pool with lifts plus nursing and medical care. Telephone: (0463) 792825.

SOUTH TENERIFE — Amarilla Golf and Country Club offer luxury furnished apartments from £7,950 (4 owners)— the ultimate in sports and leisure facilities including beaches. Freephone Tenerife Golf (24 hours).

Appointments In Property

HELP US PERFECT THE ART OF MAKING MONEY . . .
The City's not the only source of sky-high incomes in central London these days.

Because a quiet revolution has been taking place in estate agency. At Faron Sutaria, to be specific.

Far from the frenetic scramble of the money markets, we're offering talented, ambitious young negotiators (or property brokers, as we prefer to call them) the chance to earn more than £40,000 p.a.

You'll have to work hard and effectively to achieve it; but you'll enjoy the rewards; we believe in working hard and playing hard.

If you're 25 to 35, successful in your field (not necessarily in property marketing), and ambitious enough to want to share in our outstanding success, buy a copy of this week's *Estates Gazette* and turn to the recruitment section at the back. What you see there will be raising a few *eyebrows in the residential property business.*

Then send us a detailed resumé of your career to date. Quickly.

FARON SUTARIA · 89 NOTTING HILL GATE W11

Country Property

Hampton & Sons
LANGFORD Nr LECHLADE OXFORDSHIRE
A charming small stone built period village house in the centre of this unspoiled village
2 Reception Rooms, Kitchen, Conservatory, 3 Bedrooms, Bathrm
Attached stone Barn. Good sized Mature Cottage Garden
Detached Garage
For Sale by Public Auction (unless previously sold) 27th May 1987

OXFORDSHIRE BURFORD
A detached period stone built house standing in a wonderful, *private, elevated position* overlooking Burford
3 Reception Rooms, Kitchen, Cloakroom, 3 Bedrooms, 2 Bathrms
Stone Barn. Walled Garden
For Sale by Public Auction (unless previously sold) 27th May 1987

OXFORDSHIRE LITTLE MINSTER Nr BURFORD
Small stone built period farmhouse
2 Reception Rooms, Kitchen, 4 Bedrooms, 2 Bathrooms, Detached 2 Bedroomed Period Stone Built Cottage. Fold Yard and outbuildings
Paddock approx 2 *acres in total*
For Sale by Public Auction (unless previously sold) 27th May 1987
HIGH STREET, BURFORD
OXFORDSHIRE OX8 4QJ
0993823636

Humberts
WILTSHIRE
Bath 7 miles - Bradford on Avon 1 miles
A well appointed family house in a peaceful setting with magnificent views
3 reception rooms, 5 bedrooms, bathroom and shower room, cloakroom, kitchen/breakfast room
Conservatory, Gas central heating. Garaging for 2 cars
Delightful garden and woodland
Price guide £200,000-£230,000 Freehold with about 1 acre
Details: Chippenham Office tel: (0249) 655661 (10/4319/DMLB)

WILTSHIRE
Trowbridge 1 mile - Melksham 4 miles - Chippenham 12 miles Bath 12 miles
An exceptionally well built and spacious family house with superb views
2/3 reception rooms, billiard room, 4 bedrooms, 2 bathrooms (1 en suite with sauna), cloakroom, kitchen/breakfast room
Oil central heating. Garaging for 2 cars
£160,000 Freehold with about ½ acre
Details: Chippenham office tel: (0249) 655661 (ft/10/3424/DMLB)

WILTSHIRE
Chippenham 8 miles - Swindon 13 miles - (Junction 16) 11 miles
A superbly modernised late 18th century farmhouse *in a rural setting*
3 reception rooms, 5 bedrooms, 3 bathrooms, cloakroom, kitchen/breakfast room. Oil central heating
Garaging for 2 cars. Garden and paddock
Freehold for sale £190,000-£210,000 with 4 acres
Details: Chippenham office tel: (0249) 655661 (cl/10/4320/DMLB)

SOMERSET VILLAGE HOUSE
A large and beautiful Edwardian village house in the Quantock Hills, Somerset. 10 minutes M5 (exit 2) and only 2 hours London. This lovely house backs onto the village and enjoys superb views on three sides to rolling hills and fields. It is a big, comfortable family house with 4 excellent reception rooms, 8 big bedrooms, plus granny/staff flat, huge kitchen with Aga, all domestic offices, 2 bathrooms (whirlpool bath), 2 garages, outbuilding and 1 acre pretty garden. The ideal country village house for the busy London executive who likes to entertain. Good riding and fishing nearby. House in excellent condition. Freehold £170,000 for completion August. Private sale.
Details and photos:
TEL: 0278 67386

FOUNTAIN FORESTRY
WOODLANDS IN EAST SUSSEX
LARCH AND SCOTS PINE MOSTLY PLANTED IN 1940's AND 1960's. THIRTEEN ACRES READY FOR HARVESTING AND REPLANTING. REMAINDER ON POINT OF COMING INTO FULL PRODUCTION.
£108,000
O.C. Roberts,
Fountain Forestry Ltd., 35 Queen Anne Street, London W1M 9FB.
Telephone: 01 631 0845 Fax: 01 580 5237

CAMBRIDGE 9 miles
London 55 minutes via M11
New detached house in period style. 4 bedrooms, 3 reception rooms, penthouse suite. Luxury kitchen. 3 bathrooms. Large grounds. Open views.
£240,000
Agents: Watsons, 43/45 Regent Street, Cambridge (0223) 355476

Joyes Leppard
Vista House
25 Mount Ephraim Road
Tunbridge Wells Kent TN1 1EN
TUNBRIDGE WELLS (0892) 31156

FRANT, SUSSEX
Nr. Tunbridge Wells and Station
A MOST SUPERIOR DETACHED QUALITY RESIDENCE
situated in one of the most sought-after and scenically beautiful rural areas on edge of Village—1 mile station.
Lux. appointed, facing south. 5 Beds, 2 Baths, Dressing Rm. (inc. Master Suite with Balcony). Attractive Hall, 3 Fine Reception, Cloaks, Mag. Snooker Rm., Fully Fitted Kitchen, Breakfast Rm., Utility Rm., Large Garage. Lovely Gardens. Gas CH
CARRIAGE HOUSE with FORMER FLAT
Gas C.H., Workshops, Stables, Further Garaging.
Pasture and Sporting Woodland of 17.24 Acres
SUBSTANTIAL OFFERS INVITED
Particulars from the Sole Selling Agents, as above

BUCKINGHAMSHIRE
River Frontage
MARLOW ON THAMES
A substantial late Victorian riverside house with superb views across the Thames to the famous suspension bridge, and a short walk from the High St. 5/6 beds, 2 bathrms, receptional hall, drawing room, dining room, breakfast room, kitchen, utility room, coach house, 2 garages, tack room with 2 rooms over. Attractive riverside gardens with 75ft Thames frontage.
OFFERS IN THE REGION OF £400,000 FREEHOLD
Riverside Department
TEL: 0628 74433

LUDLOW, WEST MIDLANDS—River Teme Frontage. Fine Grade II Listed Tudor Detached Residence. 4 Reception Rooms, 6 Bedrooms, etc., Domestic Offices, Landscape Gardens, Swimming Pool, Fishing Rights, extensive Greenhouses, Kitchen Produce/Soft Fruit/Peaches/Vines, and there is more: Ludford Mill affording excellent office accommodation (now vacant), Tennis Lawn, Woodland Walk. Finally an unmodernised cottage (detailed conversion plans) with garage beneath. Price: Freehold, the whole in excess of £300,000. McCartneys (0584) 2153.

NORTH OXFORDSHIRE, Chipping Norton 2 mls. A spacious and completely refurbished detached bungalow standing in an excellent position on the edge of one of the area's most sought after villages with excellent views over the adjacent countryside. Entrance hall, sit rm, spacious kit/din rm, master bed rm with en suite bthm, 2 further bed rms. Dble ge and utility rm. Offers based on £150,000. Apply: JACKSON-STOPS & STAFF, Chipping Campden. Tel: (0386) 840224.

NORTHAMPTON 9 MILES, M1 10 miles. A magnificent 18th century Grade II listed house converted to provide 6 apartments. Many original features, 2/3 bedrooms, central heating, luxury fitted kitchens, superb grounds and garaging. 125 year leases, prices from £72,500. Berrys (0604) 21571. Open today 11-4.00 pm.

DENGE WOOD
NR CANTERBURY, KENT
18 acres of productive coppice woodland in a most attractive setting within easy reach of London. Public road frontage
£13,500
JOHN CLEGG & CO
The Bury, Church Street
Chesham, Bucks
Telephone: (0494) 784711

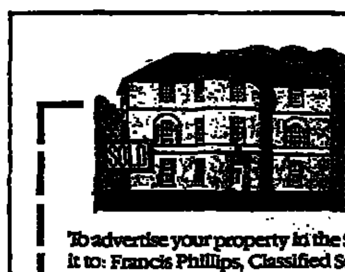
PEMBROKESHIRE COASTLINE. Part of St. Ann's Head. 17½ Acres. Smith-Woolley, 27/28 Bridge Street, Cambridge (0223) 352566.

Livestock

SMALL FLOCK of friendly coloured sheep. Suit small estate. 0837 810313.

New Homes

Prowting HOMES
CHARLTON KINGS, CHELTENHAM
A truely unique development of magnificent architect designed 4 and 5 bedroomed detached residences in prime position at Charlton Kings on south eastern outskirts of Cheltenham.
An exciting range of 6 house types offering very spacious family accommodation and luxuriously equipped throughout. All dwellings have two full bathrooms, GCH, double glazing, recreation room or study and large double garage.
PRICES £147,000 to £169,500
Fully furnished showhome and Sales Office open 7 days a week at Chancel Park, Chancel Way, Cirencester Road, Charlton Kings, Cheltenham.
Contact Sue Dennington (0242) 574296 or Malvern (06845) 68501 (24 hour answering)

SELL YOUR HOUSE


Through the Weekend FT Property Pages
To advertise your property in the Saturday property pages, simply complete the coupon below and return it to: Francis Phillips, Classified Sales Manager, Financial Times, 10 Cannon Street, London EC4P 4BY.

Allow five words per line (minimum 3 lines) **Cost:** 5-15 words (£20.70) 20 words (£27.60) 25 words (£34.50) 30 words (£41.40) 35 words (£48.30) 40 words (£55.20) all rates include Vat. Advertisements over 40 words, rates are available on application, please attach copy separately. **Lineage:** £6.00 per line + Vat. **Display:** £25.00 per scc + Vat.

Please insert the following copy in the Weekend FT: Saturday ______ 1987

I wish to pay by cheque, value £______ made payable to: Financial Times Limited.

I authorise you to debit from my Visa/Amex/Access account (delete as applicable)

the sum of £______ Signature______ Card expiry date______

My card number is ______

Name:

Address:

Postcode: Daytime Tel No:

Weekend FT · Property Pages · 01-489 0031

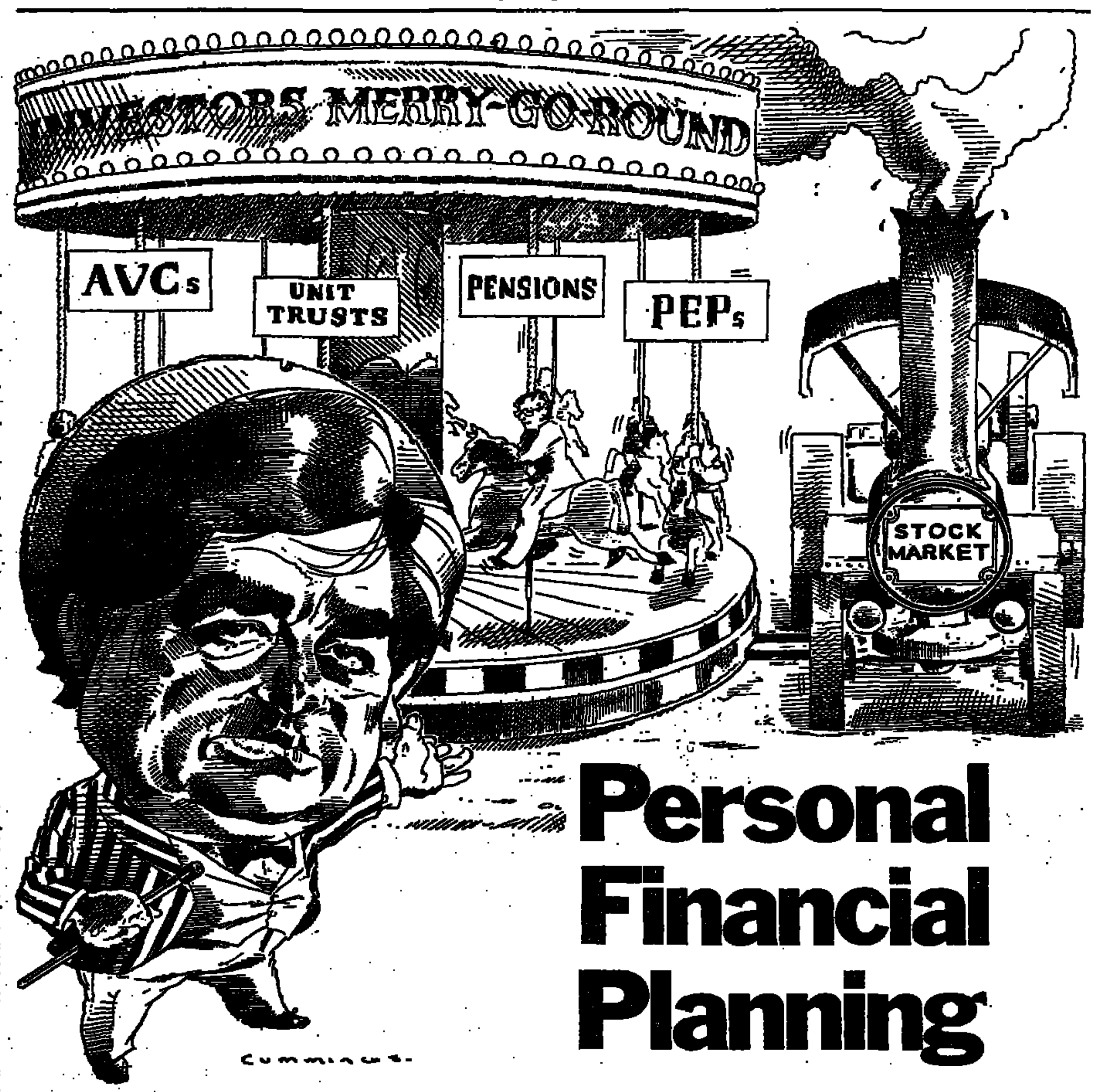
Saturday April 25 1987

FINANCIAL TIMES SURVEY

A fifth of British adults are now share-owners. Money is pouring into unit trusts, and even the building societies are helping investors to buy shares. Meanwhile, writes **John Edwards,** little mention is made of the risks, for the past 10 years have seen little risk and much reward.

CONTENTS

Big Bang : It's been followed by the big boom
Regulation : A new regime is on the way 2
PEPs : Why they've had a mixed reception
Pensions : In the brave new world, decisions will be difficult 3
AVCs : The rules are being tightened
Building societies : Fund-raising is difficult
The **BES** : It's a bit early to pick the winners
Redundancy : The need for advice is paramount 4
Inheritance Tax : Protecting lifetime gifts
Investment trusts : A sensible option, despite their handicaps 5



Personal Financial Planning

Equities for Everyman

THERE WAS some disappointment that this year's Budget failed to provide any new incentives for the private investor, with the exception of the cut in income tax. It had been expected that Nigel Lawson, in a pre-election mood, would take more positive steps to push ahead with the Conservatives' plan to turn Britain into a nation of shareholders.

Nevertheless, it has been quite a year for the private investor. An official survey commissioned by the Treasury and the Stock Exchange, and released by the Government in the post-Budget debate, showed that 8.5m people—almost 20 per cent of the adult population—now own shares.

The survey added that over the past seven years more than 5m people became shareholders for the first time. The great majority of the new shareholders bought shares as a direct result of the Government's privatisation programme and the incentives provided for employee share schemes.

It is too early to say whether the Government's third method of encouraging wider share ownership—the Personal Equity Plan (PEP), announced in the 1986 budget and launched at the beginning of this year—has been a success or not. In his Budget speech Mr Lawson boasted that PEP applications were coming in at the rate of 2,000 a day, implying that the scheme *was* a great success.

While that may have applied in January, when the scheme was just starting, the rate of applications is believed to have declined sharply since. At the same time, reports suggest that the main takers-up of PEP schemes are existing shareholders—especially the wealthy, liable to pay the higher rates of tax—rather than the newcomer to the stock market, who was supposed to be the main target. Nevertheless, as the reaction to the British Gas, British Airways and TSB offers demonstrated quite clearly, there is much more public awareness of stock market opportunities than in the past.

The continued rise in the London and overseas stock markets, and the underpricing of privatisation issues to ensure a wide acceptance, have made it appear that share dealing is a licence to print money. Unit trust groups, stockbrokers and other financial institutions keen to promote share dealing have used the long boom in the stock market to demonstrate that the return from equities has far outstripped the earnings from interest-bearing deposits.

Even the building societies, who are the main sufferers of the switch of funds into shares, appear convinced. Several of them are actively encouraging their investors to put at least some of their money into shares through various schemes.

Little mention is made of the risks involved, since, for the past 10 years, there has been little risk—and a lot of reward—on the stock market.

Even the much-publicised Big Bang, in October, was negotiated without any loss of momentum. Early fears that the private investor would suffer from the radical change in the structure of the market have not yet been justified. The reduction in stamp duty, coinciding with the Big Bang, and the initial lowering of commissions generally to reflect the intense competition, have, if anything, reduced rather than increased the cost of dealing.

However, the recent move by several brokers to increase their commissions or pull out of the cheap no-frills dealing services may be a worrying portent of the shape of things to come for private investors. The little-publicised change in the Stock Exchange regulations over new issues is also worrying for the smaller investor, who is effectively being excluded from many flotations as a result. With huge overheads to pay, and very competitive conditions, stockbrokers seem to be thinking twice about wooing the smaller client, who costs a lot to service properly.

Those costs are likely to rise still higher as the proposals to improve investor-protection, contained in the Financial Services Act, start to be put into practice later this year. It is hoped that the new regulatory structure will help to avoid some of the scandals that have brought the reputation of the City to a low ebb. But the pressure is off while the profits keep rolling in. Brokers are swamped with business from everyone wanting to jump on the bandwagon.

Further proof of the growing interest in the stock market is provided by the surge of money that continues to come into unit trusts and investment bonds. A milestone was reached in January when the total number of unit trusts rose above the 1,000 mark; and there seems no reason for this expansion not to continue, unless there is a real crash in the market of the 1974-75 variety, which caused such heavy losses that investors were put off for a long time.

Insurance companies fear that the sale, or at least the performance, of investment bonds will be severely affected by the measures in this year's Budget, which effectively increase the amount of tax paid by these funds, making them even more uncompetitive with unit trusts. But for the moment the boom goes on.

How long the bonanza will last is a matter of speculation. Suggestions that the market is long overdue for a major setback have come and gone several times in the past few years.

It can be argued that, with the growth of international stock-market trading, the investor has much wider scope to spread the risk, so that even if London collapses there will be profits to be made in other markets. On the other hand, most of the world markets seem to be booming at the same time, so it follows that they might also be hit by a depression simultaneously.

Some of the more nervous investors are now considering where else to put their funds, but it is difficult to earn a comparable return while share prices continue to move ahead.

Much now depends on the date of the forthcoming general election, and the result. If the Conservatives win, it can be expected that the privatisation programmes will continue and the drive towards wider share ownership given further encouragement.

The SDP-Liberal Alliance would be likely to continue a similar policy, with some modfications. But there would be a totally different ball-game if a Labour government came to power. Tax-cuts would be reversed and, in spite of past history showing that socialist governments are not necessarily bad for share prices, there would almost certainly be a temporary collapse, at least while the speculative froth was removed.

A change in government policy would affect not only the stock market, but also the whole personal financial planning sector, which is already going through a period of radical change.

The mortgage market has been transformed by the relaxation of the previous restrictions on lending, which qualifies for tax relief or the lower interest rate, and by increased competition from banks and other financial institutions eager to improve their market share in a profitable sector.

It is the day of the mortgage broker, who can offer borrowers a bewildering variety of options—normally those that provide an additional source of commission. In 1986 building societies, surprisingly, retained their share of the mortgage market at over 75 per cent of the total loans, in spite of the efforts of new players, like the Mortgage Corporation.

This year may be a different story. The flow of retail funds coming into building societies has shown distinct signs of slowing down, although the recent move by the Government to cut the rate of return on National Savings products may relieve the pressure slightly.

Building societies are preoccupied at present with taking advantage of the new powers granted to them this year to expand into whole new areas of business, from full banking and share dealing services to insurance and estate agency.

Until the controversial "polarisation" issue, which restricts the marketing of additional financial services by both banks and building societies, is finally resolved, it is not clear just what direction the building societies will take. What is certain is that many of the smaller societies will not survive, since they cannot afford to provide the new services to be offered by the bigger ones.

So the investor is likely to have a reduced choice of society, even though the services on offer are greater. The Financial Services Act is likely to have a similar impact on other outlets. It now seems clear that many of the so-called independent advisers will either have to become official company representatives, or pack up altogether, since they will not be able to afford the extra costs and lower commissions likely to result from the implementation of the Financial Services Act.

Whether this was what the Government intended, in order to improve investor-protection, is questionable, but investors will have plenty to keep themselves occupied.

The replacement of Capital Transfer Tax by Inheritance Tax in 1986 has meant important changes in many future financial planning decisions, and these have been only partly simplified by the further amendments in the Inheritance Tax included in this year's Budget.

But the biggest decisions this year for many people will have to be taken on pensions, with the introduction of many new available options.

Big Bang

New opportunities abound for the private investor

AFTER BIG Bang, the big boom. There has been such a surge in business volume on the London Stock Exchange during the past few months that all the fine calculations which were being made ahead of last October's commissions deregulation have *gone out of the window*.

Carefully marketed (though not always carefully costed) share dealing schemes have been scrapped as stockbroking firms have struggled to cope with unprecedented volumes of business. There has been no incentive to try to attract new clients — far from it, as most *firms have had the greatest difficulty* in keeping up with the requirements of the existing customers.

Equity bargains have not infrequently been reaching 70,000 in a day, and brokers have been seeing three times as much business as they did six months ago.

"*We have genuine new participants* in the market," says Mr Robin Woodhead, chief executive of National Investment Group, which has brought seven provincial broking firms together to form an important *new force in private client* stockbroking. The firm has 100,000 clients on its register (though by no means all of these are active).

Ahead of Big Bang, some of the big firms of stockbrokers such as Kleinwort Grieveson and Hoare Govett made considerable play of their desire to attract new private client business.

The reasoning was partly that commissions on institutional business were likely to be sharply eroded, but that the same pressure would not be seen on the commissions paid by private *investors who had less bargaining* power.

So private clients still paying commissions of 1.65 per cent, as laid down by the old Stock Exchange fixed scale, might become relatively more attractive, *especially if advanced* technology could keep costs under control.

In fact, to attract new clients, some firms offered cut rates for investors not seeking advice. Kleinwort Grieveson's widely publicised "Sharecall" scheme offered a no-frills dealing-only service with a minimum of only £12 on the smallest bargains, and a number of other brokers have been offering rather similar products.

But Gerard Troncin, who runs Discount Brokers International, an anglicised version of a US discount broking operation, argues that some of these firms got their sums wrong. DBI's minimum was set from the beginning as high as £25, and it always focused its competitiveness further up the size scale.

For instance, its charge for a bargain of *£3,000 and upwards is* only half that by a full commission broker. But, of course, clients should not expect a full service.

"Volume is three or four times as much as we dared to hope," says Mr Troncin, *but with only* about 2,000 accounts DBI still has a longway to go. In the US the various discount brokers have around a fifth of the market, although American investors tend to be much richer and *more experienced, and the British* market will probably need more sales effort by brokers to persuade clients to deal.

Big Bang opened the way for innovations in the type of service offered to private clients. *So long as there was a fixed* minimum commission scale, broking firms were under competitive pressure to provide a full service, but the big banks and other institutions have now become members of the Stock Exchange, and they have the capital and the knowledge of information technology to provide entirely new dealing *opportunities for private investors.*

For instance, National Westminster has been experimenting in several hundred branches with computer terminals which have provided *instant dealing and payment for* major new issues like British Gas and British Airways.

Dealing in allotment letters in a single issue is a lot simpler than trading on the normal account basis in hundreds of *normal listed stocks. Yet it may* only be a year or so before it is possible to walk into a local clearing bank branch and deal cheaply and instantly over computer links.

For instance, Barclays Bank *has promised a scheme dubbed* "Barclayshare," which is due to come into operation in up to 100 branches in stages later this year. It will offer advice as well as a dealing service.

Independent stockbrokers *also tend to feel that their* clients need advice and the personal touch, but they argue that the clearing banks are unlikely to be able to provide these elements reliably.

Certainly, Robin Woodhead, *of NIG, sees plenty of potential* in his firm's existing expertise coupled with its ability, post-Big Bang, to offer a greater variety of specialised products ranging from private investment deals and regional investment funds to PEP schemes.

"Banks do not have the qualified *staff that we have,*" he points out, referring to his group's 100-odd experienced *stockbroking professionals.* But he also warns: "The days of the long conversation are past. Our people are much busier."

In fact, the sheer pressure on resources is the main topic of conversation amongst private client stockbrokers these days.

The Stock Exchange's new trading system has worked sur*prisingly well, but the recent* enormous volumes have brought problems in getting through to the market-makers—although some have special small order desks.

Many developments are in the pipeline. Computer technology is being harnessed to give advisers instant access to information on clients' portfolios when they come through on the telephone, and to allow client lists to be selectively tapped when new products are offered.

So far the old 1.65 per cent commission (plus VAT) on pri*vate client-sized bargains has* remained generally intact. But in the longer term there is likely to be a much greater variation in fees and commissions as the financial services industry adjusts to the potential opened up by the Big Bang changes.

The next major development could come next year when the Stock Exchange is due to start a so-called "auto execution" system called SAEF, through which small bargains will be executed quickly and cheaply over a computer system providing direct links between brokers and market-makers.

The idea is that the queue of small bargains will be electronically allocated in turn to the market makers offering the best prices at any particular time on the Stock Exchange Automated Quotations (SEAQ) computerised stock trading system.

Although the system will only operate to begin with for the hundred or so biggest equities, the "alpha" stocks, it should provide a taste of the more efficient dealing that the private investor can look forward to in due course.

Barry Riley

Privatisation has helped to popularise shares: British Gas applications being sorted in NatWest's new-issues department

Regulation

No guarantees but less risk

TOWARDS THE end of this year the new regulatory regime for the investment industry will at last come fully into force. At *that point it will* become a criminal offence for an unauthorised person to sell or promote investments to the public.

This will represent a considerable advance on the previous investor protection arrangements, in *which* a patchwork of rules (with many gaps) has been inadequately enforced. For instance, commodity futures traders have not been covered by existing legislation.

But no regulatory framework *can hope to avoid all scandals;* and there are bound to be costs, both directly in terms of new financial burdens which will be passed on to the investor, and indirectly to the extent that there will be restrictions on the services which can be made available to the public.

The row over the collapse last *summer of McDonald Wheeler,* an obscure Canterbury investment firm, has served to highlight some of the issues at stake.

Since then, the Department of *Trade and Industry has moved* to shut down several firms of licensed dealers, and the self-regulatory body, for the small investment company sector, Fimbra, has also placed clamps on several more member *businesses.*

Fimbra, which stands for Financial Intermediaries, Managers and Brokers Regulatory Association, has already begun to act as one of the self-regulatory organisations (SROs) *which, under the new* framework, will take on many of the responsibilities of the top watchdog body, the Securities and Investments Board (SIB).

But Fimbra has to tread carefully because it is not yet *recognised by the SIB,* which itself has not so far received its planned transfer of powers from the Secretary of State for Trade and Industry, Mr Paul Channon.

The embarrassment over McDonald Wheeler partly re*flected Fimbra's temporary in*ability to flex its muscles as strongly as it will be able to once the Financial Services Act is fully implemented. But there were also some enduring lessons about the limitations of the *system.*

A typical complaint was that investors had put money with McDonald Wheeler with the reassurance that the firm was a Fimbra member. But when the; firm collapsed, where was the *protection?*

The straight answer is that membership of an SRO cannot constitute any kind of 100 per cent guarantee to investors, but it ought to reduce the risks.

SROs will draw up several *lines of defence.* The first is that only persons defined as being fit and proper will be admitted to membership. Crooks and known incompetents will therefore be weeded out.

However, there will remain the chance that villains will lie and cheat their way through the admission procedure, depending on how thorough it is. When thousands of firms and sole traders may be queueing up this summer for membership of the bigger SROs the chance of mistakes must be higher than in a year or two's time when the rush will be over.

The second line of defence is to insist on operational guidelines. Deliberate fraud in investment operations is actually quite rare. It is much more common for investment companies *to get into trouble through mud*dle and incompetence. And honest confusion may then turn into fraud when the principals realise there is no honourable way out of their difficulties.

Various measures can help to *stop this kind of downwards* slide. For instance, the SROs have rules that clients' funds *must* be carefully separated from those of the firm, so that the advisers cannot dip into the clients' money.

*Moreover, the auditors of in*vestment firms will in future be expected to conduct especially rigorous audits of their financial affairs, and could be required to report to the regulators in difficult cases. And these regulators, in the *shape* of the SROs, will themselves be running programmes of spot checks to make sure, for example, that firms are not relying on year-end "window dressing."

The third line of defence is *provided by the threat of* disciplinary measures. Investment firms could be suspended, fined, or eventually have their authorisation withdrawn, which would put them out of business.

Finally, the backstop for in*vestors will be the availability* of a compensation fund to allow them to reclaim their funds from a failed investment company.

All SROs will have to show that they operate satisfactory *compensation funds (or belong* to a central scheme) before the SIB will recognise them. So far, however, bodies such as Fimbra do not have such schemes (although the Stock Exchange, for example, has operated one *for years).*

Such a system of safeguards would have prevented many of the cases of investment collapse in the past few years, but investors can never hope to eliminate all risks. In the end, if an adviser honestly recommends a bad investment, the investor cannot expect anybody to compensate him.

It will be necessary to show that the adviser negligently or dishonestly applied funds in a manner *not permitted* by the conduct of business rules of his SRO; for instance, that he failed to have proper regard for the client's best interests.

There will be a system of Ombudsman investigations to sort out problems, if possible, before the full weight of the new *regulations is brought to bear.*

A degree of risk must be left with the individual in order to encourage him to make a prudent choice when he invests his money. It would only be possible to whittle that risk further away by restricting his choice. *In the end, there must be a* trade-off between safety and opportunity.

In the past, for instance, unit trusts have been very safe (to the extent that unit trusts have never gone bust, though, of *course, some funds have per*formed very badly). But it has been hard for unit trust managers to innovate, such as in futures or options, because the regulators have not allowed it.

Reglation is also expensive. If an adviser *has to pay out* thousands of pounds for SRO membership, and has to finance extra audits and systems, then fees and commissions are in due course certain *to* reflect these additional regulatory expenses.

One cost could be indirect, in that some types of adviser may become hard to find. There are worries, for instance, that independent brokers selling life assurance and unit trusts for a variety of companies may be *tempted to opt for an easier life* as salesmen employed by particular institutions.

Sir Gordon Borrie, director general of the Office of Fair Trading, has expressed this fear. In several respects he feels *that the SIB's rule-book* threatens to reduce competition—and this amounts to an indirect cost to the client investor.

Such concerns underline that the investor cannot relax his guard. The individual's re*sponsibility cannot be shuffled* off to a regulator.

It is extraordinary, but true, that individuals will send off large sums of money to foreign based "boiler rooms," or share pushers, on the strength of a *plausible telephone call or two.* This places them outside the protection of British law.

As Prof Jim Gower wrote in his original report on investor protection to the Department of Trade and Industry, you cannot *prevent a fool from being parted* with his money. But it should be possible, he argued, to prevent a reasonable person from being made a fool of.

Barry Riley

PEPs

Restrictions mar a nice idea

THE CHANCE of a tax-free investment would normally make most savers, especially high-rate taxpayers, *jump with joy*. So why has there been such a mixed reception for the Personal Equity Plan (PEP), announced in the 1986 budget and officially launched from January this year?

There are a variety of reasons. Inevitably you don't get something for nothing, especially tax-free concessions. Going into a PEP scheme involves all kinds of restrictions. For a start, your money has to be kept locked *away in any scheme for at least* a year—and even longer if you invest before December this year, since the first PEP scheme "matures" at the end of 1988.

After that, each scheme runs on a calendar-year basis and you need only keep your money in for a year and a day to qualify for the tax concessions. But that is not the end of the restrictions. The amount you can put in is limited, at least for the present, to a maximum of £2,400 annually *(£200 a month)* by the Government, while the minimum is set by the individual plan managers offering schemes.

PEP charges compared

Organisation	Total charges (£) over 3 years, for investment of: £600	£1,200	£2,400
Barclays	156.78	172.13	243.06
Bradford & Bingley	55.20	110.40	220.80
Fidelity	76.74	153.45	306.90
Henderson	84.02	168.00	336.00
Hill Samuel	72.46	144.90	289.80
Lloyds	91.92	134.31	249.03
NatWest	78.45	156.90	313.80
Save & Prosper	80.48	145.91	276.83

Source: Bradford & Bingley Building Society's understanding of competitors' schemes

Then it becomes really complicated. A basic premise of the PEP scheme is that it should encourage investment in British industry, so the fund will only be able to deal in UK-quoted shares.

However, there is an exception, linked with another restriction. Bowing to pressure from the unit trust industry, the Treasury agreed that up to a quarter of the total PEP contribution (i.e., a maximum of £600) could be put into unit or investment trusts. Alternatively, up to £420 can be invested solely in unit or investment trusts. Either by oversight, or in the interest of providing further balance, the British-only restriction does not apply to unit trusts. So you can use PEP as a vehicle to buy a unit *trust investing in Japan or West* Germany.

Because of this concession, many companies offering PEP plans have imposed their own restrictions. Many of them insist that anything below £420 a year must go into unit trusts, while others state that 25 per cent of any larger investment must also go into unit or investment trusts.

At the same time, virtually all the plan managers are insisting on discretionary schemes, where *they make the choice of* investment on your behalf; or give you a restricted list of shares from which you can make your own selection. This has proved frustrating for would-be investors, wanting to use the PEP scheme with its tax advantages, to speculate in a high-flying risky stock where the rewards might be great and the tax exemption very well worthwhile.

Pointon York, the Leicester intermediaries, offer complete freedom of choice with their City Slicker scheme; and so does the NatWest Shareplan PEP scheme, although you have to insist and pay additional charges.

Most companies justify the restriction on choice, and the emphasis on managed funds, as a way of offsetting some of the heavy costs involved in being a plan manager. The relatively small amounts of money being handled, and the requirement of various services like the provision of annual reports, involves considerable investment and means there is little profit to be made, at least in the short term.

Much of the criticism of PEP schemes has come from companies who claim that the restrictions involved make the whole idea unprofitable both for the plan manager and eventually for the investor too. Comparing different charges made it a nightmare, bearing in mind the many variables involved in all the different schemes; but there is no doubt that buying shares via a PEP is expensive and can be punitive when all the various hidden charges are taken into account.

The decision to be made is whether the higher charges are offset sufficiently by the gain from the tax concessions. If you are a high-rate taxpayer, who has already used up the annual capital gains tax exemption of £6,600 (from 1987-88), then the PEP scheme has a lot more to offer than to a standard-rate taxpayer, with little or no liability to capital gains tax.

This explains why by far the biggest support for PEPs has come from wealthy, existing, shareholders who benefit most from the tax concessions and can view it as only part of an overall portfolio. The other main criticism of PEPs is that its restrictions encourage investors to dabble in the stock market in the worst possible way, with a limited amount of money insufficient to allow a proper spread of shares to reduce risk.

Ironically, the proportion going into unit trusts, which are supposed to be safer, reduces the amount available for investment in actual shares and highlights the risk. So far the UK market has been buoyant, and some PEP managers are reporting excellent returns; but a small investor confined to a few shares in one market only is the most vulnerable, and a sustained downturn on the London Stock Exchange could bring heavy losses, where the tax concessions would count for nothing.

Nevertheless, having pointed out the disadvantages, there is also a strong body of support for PEPs. The tax-free concessions are certainly well worthwhile, and not only for the wealthier individual.

In theory, a PEP fund should perform better, if properly managed, since the dividends paid can be rolled up gross and, therefore, boost the return especially over a longer period. Charges may be slightly higher, but if you are putting £420 a year into a unit trust you might as well choose the tax-free alternative, which should perform better and benefit you more.

Charges are to some extent a red herring. In the long run the investment performance is what really counts. But until some sort of PEP track-record is established, the only comparisons that can be made are between charges and the different restrictions on the amounts that can be saved, and the shares and unit trusts that can be bought.

There are some 130 different *PEP schemes now available.* They can be split up roughly into various groups—banks, building societies, insurance companies, unit trust groups, stockbrokers and other intermediares.

The banks, with competitive charges, have been particularly active. So have several of the unit trust groups, although some of the bigger companies are less than enthusiastic or haven't bothered to launch PEP schemes at all—their charges are based on unit trusts, and therefore tend to be expensive for share dealings. Only a few building societies have joined the fray so far, and they have tended simply to market, and collect commission on, ready-made PEP schemes, managed by unit trust groups. An exception is Bradford and Bingley Building Society, which is plan manager for its own scheme, with stockbrokers James Capel as investment advisers.

Prudential and Commercial Union have their own schemes, but *many of the stockbrokers* and other intermediaries have teamed up with unit trust groups, notably Fidelity, to provide the expensive and sophisticated systems required for administering a PEP scheme effectively.

Bradford and Bingley says its scheme has attracted growing support building up over the months. But this is against the general trend Most companies have reported declining interest after the initial rush in January. However, they are expecting a further surge of interest later this year, with investors wanting to "top up" their 1988 PEP involvement before the deadline in December.

As the Americans say, the jury is still out as to whether PEPs have been a success or otherwise. It largely depends on the trend in the stock market, and whether a Conservative government is re-elected. If further encouragement is given; by simplifying the whole scheme and raising the amount that can be invested, PEPs could become a very important part of the whole UK investment scene.

Even at £2,400 (or £4,800 for a married couple) the sums of money invested could build up to a significant amount over the next few years, since the lure of a tax-free invesment is very strong.

John Edwards

Pensions

Portability poses difficult choices

ONE CENTRAL theme in the new Thatcherite environment for Britain is the creation of popular capitalism through wider home ownership, wider share ownership and wider pensions ownership.

During the past eight years, the Government has actively promoted the first two. Now it has embarked on wider pension ownership, the two main *architects of the* new pensions world being Mr Nigel Lawson, the Chancellor of the Exchequer, and Norman Fowler, the Social Services Secretary.

The cornerstone of the Government's pensions strategy will be the new personal pension, set up in the 1986 Social Security Act, and fleshed out by the forthcoming 1987 Finance Bill when it becomes law.

From next year, employees will be able to come out of their company pension scheme and/or the State Earnings-Related Pension Scheme (Serps) and make their own pension arrangements through a personal pension. Indeed, membership of a company pension scheme will be voluntary in future.

One aim of a personal pension is that it should be completely portable. The employee will be able to take it with him from job to job—an essential feature, *with the growing trend for job* mobility.

For employees not in a company scheme, personal pensions will be available from next January. Employees in company schemes have to wait until next April to be able to come out of the scheme and take a personal pension.

For those employees who wish to stay within the umbrella of their company scheme, yet have wider participation, the *forthcoming Finance Bill makes* AVC (Additional Voluntary Contribution) schemes more widely available.

What will personal pensions look like?

They will be styled on the well-established retirement annuity contracts of the self-employed. Indeed, in this brave new pensions world, these annuities are being merged with personal pension contracts.

Thus they will operate on a money-purchase basis, with the contributions, which attract tax relief at the investor's top rate, being invested in a tax-exempt fund.

Free to choose, but they'll need advice

Hugh Routledge

It has just been decided that *there will be no controls on the* underlying investments, just as there are no controls at present on *self-employed* pensions. In theory, employees taking out personal pensions can invest in high-risk funds. The Government is relying on the fact that the vast majority of people do not take investment risks with their pension savings.

At the end of the day the investor takes his accumulated savings and buys an annuity from *a life* company.

The life companies' present monopoly in providing individual pensions is broken. Now, banks, building societies and unit trusts can offer the savings element up to retirement.

Personal pension contracts fall into two parts.

The first part—the protected rights—is used to contract out of Serps. The contributions on this part of the contract are the National Insurance contracted-out rebates, paid by *employees* and their employers. These are currently 2.15 per cent for employees and 4.1 per cent for employers. From April 1988, they drop to 2 per cent and 3.8 per cent respectively.

The payment of these contributions is automatic. The employer pays the full NI contributions to the Department of Health and Social Security in the normal way. The DHSS takes out the rebates, accumulates them over the tax year, collects the tax relief at basic rate on the employee's contribution, and pays over the money at the end of the tax year to the selected financial institution.

To encourage people to take out personal pensions, the Government is paying an extra 2 per cent contribution from the NI fund to those employees who have not been members of a company scheme, or have been members for less than two years.

On this part of the contract, the whole of the savings must be used to buy a pension on a unisex, unistatus basis—a move that has aroused considerable controversy. However, on the second part, which is available to the self-employed as well, the investor can pay up to 17½ per cent of earnings on top of the minimum contribution, more for the older employee. Employers can contribute to this amount. The employee can take up to 25 per cent of the overall cash sum from this part of the savings.

This is a change from the present method of commuting for the self-employed, and represents a cut in cash. Thus employees have a choice in their pension provision:

- ☐ Serps,
- ☐ A company scheme, or
- ☐ A personal pension.

The basic state pension that is available to everyone is revalued only in line with price inflation. Since earnings grow faster than prices rise, its value as a portion of average earnings is falling. The 1986 Act also cuts back the Serps pension.

Thus, employees wanting a decent income in retirement must make private provision themselves or through their employer.

So how does an employee choose between these options. This is a subject in itself. One thing is certain: it will be a difficult one to make.

To help the employee in his decision, access to information on all three types of scheme is now available. The disclosure provisions of the 1985 Social Security Act enable the employee to get details of the expected benefits from a company scheme. The salesman marketing personal pensions will provide benefit illustrations on realistic terms. The 1986 Financial Services Act has stopped telephone number quotations. Now the Government is to provide a service which will show illustrations of future Serps benefits.

The Finacial Services Act imposes on salesmen the duty of getting to know the requirements of his customer and then giving the best advice to meet those requirements. Employees should ensure this happens at the time of the sale, and that the implications of each type are fully explained.

Eric Short

AVCs

Tax-free lump sums banished

EMPLOYEES RELYING on their employer's company scheme to provide them with sufficient income in retirement find that the pension provided is based on the length of service with that employer.

With the growing trend for people to be more mobile in their employment and to change jobs frequently, many individuals on arriving at their final employer find that they cannot work *for a sufficient number of* years before retirement to get an adequate pension.

The transfer provisions to maintain the pension earned with previous employers alleviate, but do not completely make up for, the pension-loss on changing jobs.

However, employees have had the facility for decades to pay extra pension contributions, known as AVCs (Additional *Voluntary Contributions*) to enable them to boost their company pension.

Until the present pension reforms, the employer had to take the initiative in setting up an AVC scheme. Although most large- and medium-sized employers have done this, generally they made little attempt *to market the scheme among* employees. Distributing booklets setting out the scheme among employees is very low-key marketing.

Those employees who took the trouble to inquire about AVCs found, often to their surprise, that they were the most tax-efficient savings plans on the market.

To start with, the contributions get tax relief at the employee's top tax rate, up to the Inland Revenue limits that total contributions made by the employee (company scheme and AVC combined) do not exceed 15 per cent of earnings. Thus a contribution of £100 a month *costs a basic taxpayer £73.*

Next, the contributions are invested in a tax-exempt fund. A typical exempt managed fund from a life company is currently growing at around 3 per centage points a year more than its taxed counterpart fund.

At retirement, the benefits are aggregated with those of the main scheme. Until the current Financial Bill, the aggregation applied to the tax-free cash commutation as well as the pension.

Thus the employee could take his cash entitlement from his AVC-accumulated savings before having to consider converting any part of his main company pension into cash. In many cases, the employee could take the whole of his tax-free *cash entitlement (the Revenue* maximum of 1½ times final salary) from the AVC savings.

So, viewing the AVC scheme purely as a savings vehicle producing a tax-free cash sum, it beat any other savings scheme out of sight.

There are some major restrictions, besides being restricted to whatever scheme the employer set up. The employer had to contribute for a minimum of five years, or until retirement if less. The savings were locked away until retirement or the earlier death of the employee.

The 1986 Social Security Act requires all employers to set up an AVC scheme by April 1988. But the Chancellor of the Exchequer, Mr Nigel Lawson, went much further in his Budget in reforming AVCs.

He gave employees the right to make their own AVC arrangements — known as free-standing AVCs, available as from this coming October. In addition, he cut down the period of compulsory payments to one year. Though employees can only have one free-standing AVC contract in any one year, they can take out a fresh contract each year if they wish.

However, when Mr Lawson gives with one hand, he often takes something back with the other. And this time he has given AVCs a body-blow by taking away the right to get tax-free cash sums from AVC contracts.

It is proposed that the amount accumulated by the employee under the AVC contract must be used to buy a pension — the original purpose of AVC schemes.

This restriction will not just apply to the new free-standing AVCs. It is now proposed that all new employer-arranged AVC schemes and all new employees joining established AVC schemes will no longer be able *to take cash from the savings.* They must take taxable pension.

This move will take some of the glitter away from AVCs as a savings media. Employees are not going to be attracted to a scheme the benefits of which cannot be taken as cash.

Indeed, Mr Lawson by his move has stopped the use of *AVCs for pension mortgage* purposes — a market that looked set to expand rapidly.

However, the proposals will not apply to employees who were members of an AVC scheme and contributing before April 8, 1987. They will still be able to take cash from their AVC, including the savings accumulated from all future contributions. These employees will still be eligible for AVC *pension mortgages.*

One feels that this latest proposal will not go unchallenged in parliament.

However, it is very unlikely that even concerted opposition will get Mr Lawson to alter his proposals.

Eric Short

Building societies

High interest means tight funds

YOU WILL *probably be better* off lending money to a building society and borrowing from a bank this year.

This is the main practical conclusion of an analysis of the competition unleashed in the savings and home loans markets by deregulation of financial markets in recent years.

The latest example of deregulation is the 1986 Building Societies Act, which came into force at the beginning of the year. It allows societies to diversify out of their traditional savings and home loans businesses into new housing, investment and banking markets.

In a sense, though, the new Act merely gives societies a chance to get their own back on the banks. They have been trying to make inroads into societies' core markets for several years.

Up to now, the banks' main success has been in taking a larger share of the savings market. Whereas they previously neglected their depositors, paying most of them a low rate on their *seven-day deposits,* they are now pushing their high-interest deposit accounts, which compete with the rates offered by building societies.

As a consequence, societies *have found* it difficult to raise funds. Last year, they managed to raise only £6.6b net from *retail* investors, down from £7.5bn in 1985 and £8.6bn in 1984.

At the same time, mortgage demand has been shooting up. Last year, societies lent £19.1bn net to homebuyers, up from £14.7bn the previous year.

They have only been able to meet this funding gap in two ways. First, they have run down their holdings of liquid assets, from 18.1 per cent of total assets at the end of 1985 to 15.7 per cent at the end of last year.

Second, they have borrowed heavily on the wholesale markets. Last year they raised £6.1bn net on these markets, very nearly double *what they* raised the previous year, which itself was a record. Some societies, notably the Abbey National and the Nationwide, actually raised more money net on the wholesale markets than they did from retail investors.

In some ways, the outlook for this year is not too different. Mortgage demand has shown no signs of slackening off. And, although societies' performance in the savings market last year was influenced by special factors, most notably the flotations of British Gas and the TSB, there are also special factors this year.

In one important respect, however, this year will not be a repeat performance. Societies are not able to bridge their funding gap in the same way — they have fired most of their bullets.

Liquidity cannot bear the strain. Liquidity ratios in most societies have already been run down to such a level that the Building Societies Commission, *the industry's new regulatory* body, would consider it imprudent for them to be pared down *much further.*

Nor can wholesale funding bear much of the strain. Under the new Act, societies cannot borrow more than 20 per cent of their funds from wholesale sources.

Not all societies have the same experience, but for many of the largest the figure is *already over 10 per cent; for the* Nationwide, the figure is 15 per cent. No society is keen to let it *get* much higher than 15 per cent, because it would then lose its room for manoeuvre.

The societies' response has been to lobby the Commission to increase the limit on wholesale *funding from 20 per cent to 40* per cent, as it is allowed to under the Act. However, Mr *Michael Bridgeman, the first* commissioner, says he has no intention of doing this in the short term.

Something has to give, as societies have to meet their *funding gap by definition. This* can be done, broadly speaking, in two ways: either they take in more money from retail investors, or they lend less money to homebuyers. All the signs are that they will do both.

Given the competitive environment, the only way *societies can improve their* performance in retail markets is by offering a better rate than their *competitors,* the banks. Therefore, you are probably better off depositing your money with a society than a bank.

On the other hand, if societies consistently offer a better rate to savers than their competitors, they will also have to charge a higher mortgage rate, simply to *maintain their profit margins.* Therefore you will probably get a better deal by borrowing from your bank.

Hugo Dixon

Redundancy

Be wary of off-the-peg solutions

THE LARGE sum recieved as a *redundancy payment usually* represents more cash than an employee has ever handled.

Most simply do not know what to do with it. The more discerning appreciate that it may be a *long time before* they can get another job, so they need to invest the money carefully. But for most it is an area they do not understand.

The need for financial advice is paramount, and the experienced of advisers is that the individual made redundant relies totally on the recommendations of the adviser.

In these circumstances, it is not surprising that some of the advice given is of an indifferent nature. All too often, the insurance salesman is first on the scene with advice, *offering the* instant solution of an investment bond.

In most cases this is the wrong advice for an individual made redundant.

A full financial counselling service will start by ascertaining the assets and financial requirements not only of the individual concerned, but of his family. The adviser must go through the whole circumstances *of the individual* before even getting down to recommending a course of action.

Off-the-peg solutions should *be treated with suspicion.*

The primary need of the individual is to boost his income while he remains out of work. The first source is the social security system. Advisers who have been in redundancy counselling for some time have learnt by experience the intricacies of social security.

Next, one needs to consider the outgoings of the family, the largest outside the normal costs of living being the mortgage.

However, it is by no means axiomatic that the redundancy money should be used to reduce or pay off the mortgage. The Miras system ensures that the individual gets tax credit even if he is not paying tax. It may be advantageous to bring the outstanding mortgage down to *£30,000.*

However, the main advice will centre on supplementing the *family income. Again, this has to* be approached very carefully.

The individual needs to consider how long he is likely to be out of work—not an easy question to answer. Next, he needs to consider how much income he requires. This is usually underestimated.

Finally, he needs to consider *his* expected *tax position* when deciding how to boost income.

If the individual is not paying tax, then investments that pay income *gross* are better than ones where he needs to reclaim the tax. For short-term income, the National Savings Income Bonds can often fit the requirements.

It is essential to ensure that, in any recommendation, the effect on social security benefits is taken into account. For longer term income, then, a balanced investment approach is needed.

Here the money would be invested in deposits for high income and, say, unit trusts for *income growth. High income* trusts offer the prospect of growing income, admittedly from a lower starting value, together with the preservation of the value of the capital.

Under an investment bond, the investor can withdraw up to 5 per cent of the original investment on a tax-deferred basis.

It is not tax free as implied by many salesmen. The tax is simply deferred until the final encashment of the bond. If the investor at the time is still liable only for basic rate tax, including the worth of the bond, then no tax is payable.

But all too often th worth of *the bond takes the investor* momentarily into a higher rate tax bracket, and he will be liable for higher rate tax on the profit.

Again, many individuals find that a 5 per cent withdrawal is *not sufficient.* But when *they* withdraw more than 5 per cent, they could suffer a tax penalty.

There are cases when a bond is a suitable investment. In these cases, the investor should take out a cluster of policies, not one big policy. He then cashes in each policy in turn when he needs access to the capital.

The professional advisers in this field, offering a counselling service on a free basis, report that all too often their services are asked for to pick up the pieces after a bond has gone sour.

Employees made redundant should be careful in selecting the source of advice. The attrac*tion of a life salesman is* that he does not ask for any remuneration direct from the client. He *gets commission from the life* company from the sale of the bond.

A professional firm charging fees is not tied down to confining recommendations to life and unit trust products. Nevertheless, *these will often play a* prominent part in the recommendations made on merit, and *the commission received is* offset against the fees.

Eric Short

The BES

Too soon to pick winners easily

IT WOULD be a touch unfair to dismiss the Business Expansion Scheme (BES) as a rich man's tax dodge but such are the tax advantages that few *top* rate payers can afford to ignore it.

If the investment is held for at least five years, holdings in BES companies are allowable against income tax and any profits made on sale are exempt from taxation of capital gains.

For top rate taxpayers that means that a £100 investment costs only £40. Even if the company only holds its nominal value for five years, the compound rate of return would be 25 per cent.

Of course, merely holding their value is not the aim for most BES companies. They often predict a growth rate of at least 10 per cent a year, which, if achieved, would allow the top rate taxpayer to quadruple his money.

However, it is not that easy to *tell which BES companies* will be successful or whether the average company has given a tidy profit. Because the scheme only started in 1983, no companies have yet finished the five year qualifying period—so there is no track record to judge.

The aim of the scheme is to encourage private investors to invest in unquoted companies. The tax advantages are offered on the basis that otherwise small companies would have difficulty attracting funds. Some of the issues on offer, notably those where large companies have attracted funds *to* set up new *projects,* seem to have abused the *spirit,* if not the letter, of the scheme. But that is more a problem for the regulators rather *than for* the individual investor.

There are two different types of schemes on *offer—funds* and individual issues. The funds have the advantage of offering a spread of investments and thus a much improved risk profile—in effect, they are the unquoted equivalents of investment trusts. The record of some of the early funds was rather poor and they have certain tax disadvantages.

Individual issues tend to attract more attention than the funds because they offer the investor the thrill of judging the prospects of a small company. Although the Chancellor has frequently altered the ground rules as to which companies can qualify for the scheme—for *example, to discourage heavily* asset-backed issues—there remain a bewildering variety of schemes on offer.

In the 1986-87 tax year, investors were offered everything from an exhibition based on royalty, through a 19th century photographic collection to a racehorse stud farm—although this last scheme was withdrawn after the Registrar of Companies had written to point out irregularities in the prospectus.

The most popular type of issue was probably secured contracting—builders who accept deferred payment in return for a secured charge on the land and buildings, thus giving schemes a strong measure of asset backing without breaking the rules. Almost as popular were hotels and other catering outlets such as motorway inns.

The financial services companies which back BES issues (sponsors) are always keen to advertise *their* schemes and investors should find plenty to choose from in the financial pages of the press. Once an investor has backed one scheme, of course, sponsors will be sure to bombard him with details of all their other offers.

Choosing the right type of issue requires a close reading of *the prospectus and investors* should not be carried away by indications of future profits but should pay attention to more concrete factors. What is the experience of the management? Who are the sponsors? What are the fees, incentives and options available for the organisers which will dilute the eventual profits for investors?

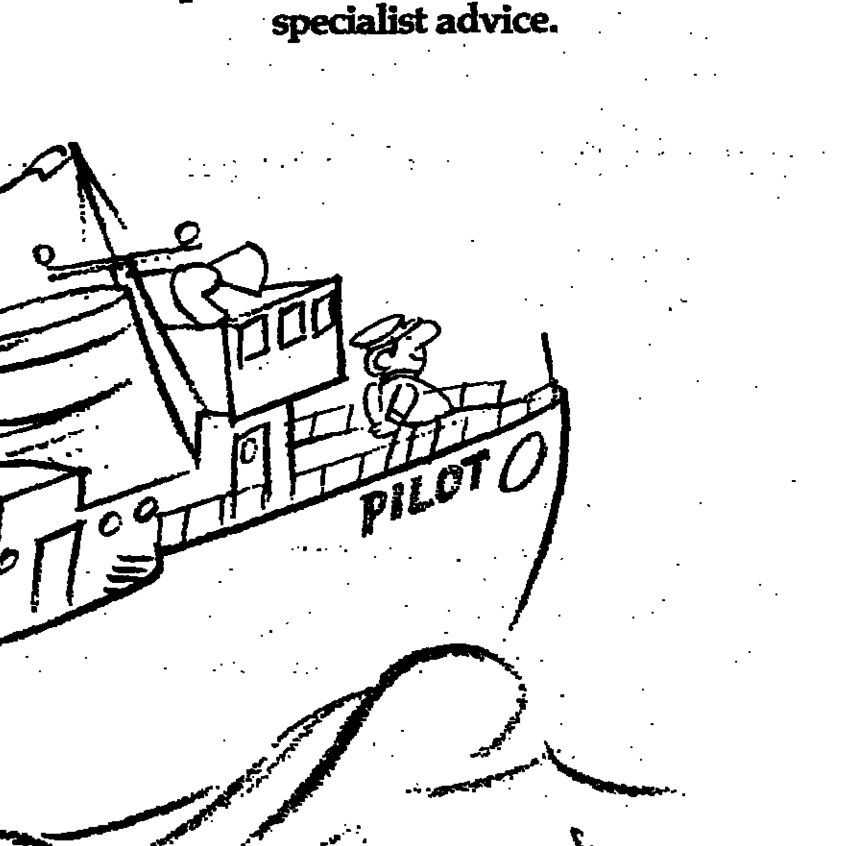
Having chosen the issue, then comes the choice *of* when to invest. Because investment in a BES scheme gives tax relief in the year in which the investment was made, sponsors have tended to bring out issues right at the end of the financial year.

The Chancellor in his last Budget attempted to reduce this "bunching" by allowing tax relief on investments made in the *first half of* one *financial* year to be carried back to the previous year. However, as only half of the investments can be carried back, and then only up to £5,000, compared with the maximum limit of £40,000, the end year rush of issues is expected to continue.

How does the investor claim his precious tax *relief?* The key is the BES3 certificate, which providing the scheme meets the *qualification requirements,* should be sent to the sponsor after the investment has been made. All that then remains to be done is for the investor to send in the certificate with his tax return.

However, certificates are not available until the company begins trading—which can be *quite a long time in the case of a* hotel for instance. On BES funds, certificates can only be obtained when the investments in companies are made, rather than when the money is put in the fund, so the waiting time tends to be much longer then on direct issues.

Philip Coggan



Inheritance Tax

Protection for lifetime gifts

THE BUDGET brought relatively few changes to Inheritance Tax, although these do include a generous increase in the starting-point and rate-scale of the tax, and an *extension of* relief for lifetime gifts and gifts of business property.

The starting point for Inheritance Tax has been increased well above the Retail Price Index and the present seven rates have been replaced with four.

Another, and possibly the most important change, has been an extension of the exemption for lifetime gifts to certain gifts involving interest in possession trusts.

For tax purposes, there are only two different types of trust: an interest-in-possession trust, and a discretionary trust (which includes the favoured Accumulation and Maintenance Trust).

An interest-in-possession trust is a trust under which the beneficiary has an immediate right to the income of the trust fund as it arises, or the exclusive enjoyment of the trust property; or, if there is more than one beneficiary, to a predetermined share of the income of the trust fund or trust property.

A discretionary trust is any trust which is not an interest-in-possession on trust. Therefore, a trust which provides the trustees with a power to accumulate and reinvest the income of the trust fund is a discretionary trust, because the beneficiary does not have the immediate right to the income as it arises.

Before the Budget, outright gifts to individuals, were treated as Potentially Exempt Transfers (PETs) and, provided the donor survived seven years, were exempt from Inheritance Tax. Gifts into trust remained *chargeable, with a few exceptions* such as gifts into Accumulation and Maintenance settlements for children. The *Chancellor has now extended* the relief to gifts made into interest-in-possession settlements but left chargeable gifts *into non-exempt discretionary* settlements.

For example, if you have a 30-year-old spendthrift daughter and a 28-year-old irresponsible son to whom you want to give in total £300,000, but you do not want the capital frittered away, you could not, before the Budget, have made the gift into a trust to protect the capital for the children, tax free. Now (subject to the Budget proposals becoming law), you can transfer £300,000 into an interest-in-possession trust for the two children tax free, provided you survive seven years.

You can also appoint yourself *as a trustee, or someone else* whom you trust, to manage the money in accordance with a trust deed approved by you.

However, you must not in any way benefit from the trust property, for example by means of a loan or reversion to settle, or if *either child* predeceased you, because the gift will be treated as a Gift with Reservation; and, although it will not be *immediately chargeable to tax*, will be ineffective in removing value from your estate until either you die or the possible *benefit to you is removed.*

Further, you must not permit the trustees to decide each year how much of the income, if any, each child will receive.

Another change introduced by the Chancellor in his Budget speech was to increase the business property relief for substantial minority shareholdings in unquoted companies. Of course, business property relief is of importance only where the gift would otherwise have been taxable; for example, if you make an outright gift of shares in your company and survive seven years no Inheritance Tax will be payable in any event. It is only if you make a gift into a non-exempt discretionary trust, or a gift within seven years of death, or die, that business property relief is of any value.

Before the Budget, if you had control as a *shareholder* of any company, whether a private company, a company with a full stock exchange quotation or a company whose *shares* were traded on the Unlisted Securities Market, you could obtain business property relief, which operated by reducing the value of the property brought into charge to tax by 50 per cent. If you did not have control, relief *was available only if you owned* shares in a private company, and the relief operated by reducing the value of the business property brought into charge to tax by 30 per cent.

Range to which Inheritance Tax rate applies (£000)

Rate of tax	Existing Scale	Proposed Scale
Nil	0-71	0-90
30	71-95	90-140
35	95-129	—
40	129-164	140-220
45	164-206	—
50	206-257	220-330
55	257-317	—
60	above 317	above 330

The Chancellor has now proposed to introduce a new category of shareholders who will be eligible for business property relief at 50 per cent. If you now own more than 25 per cent, but not more than 50 per cent of shares in a private company you will be able to obtain business-property relief at 50 per cent.

This proposal has important tax planning *implications;* for example, you can now transfer control in your private company and provided you retain 25 per cent you, or your estate, will still be liable for relief at 50 per cent.

The Chancellor has also proposed to change the category into which the shares in companies traded on the USM are placed. From March 17 1987 these shares are treated for business property relief and all other Inheritance Tax purposes, in the same way as shares in companies with a full listing on the Stock Exchange.

For business property and agricultural property, the extension of the exemption for *lifetime gifts to include gifts* into interest in possession trusts is of particular importance.

Under the Finance Act 1986, if you made a gift of business property or agricultural property within seven years of death, the *relief for* business property or agricultural property would be withdrawn from that gift, if the person to whom you had *given the property had either* disposed of it prior to your death, or the property no longer qualified for business property *relief or agricultural property* relief.

For example, if you owned 100 per cent of a private company which qualified for business property relief and gifted 60 per cent to your eldest son, your son then decided to float the company on the USM and sell 30 per cent of the company, you would lose half of the business property relief on the shares gifted to your son because he had sold half, and would not be entitled to any relief on the remaining 40 per cent, because the shares were in a company dealt in on the USM. However, if the company had not been floated on the USM, you or your estate would have been eligible for relief on your 40 per cent shareholding at 50 per cent.

As a result of these changes, you should consider making any gift of business property or agricultural property to trustees to hold on an interest-in-possession trust for the person you wish to benefit. You can *provide in the trust document* that, for example, the trustees are prohibited from disposing of the shares for at least seven years after the creation of the trust, or before your death if sooner, and a prohibition against the flotation of the company on the USM, or against any change which would result in the company ceasing to be qualifying business property or qualifying agricultural property.

In this way, business property relief, or agricultural property relief, would still be available should your gift become chargeable to tax as a result of your dying within seven years of the gift.

Caroline Garnham
A solicitor with Wilde Sapte

Investment trusts

Shortcut to a portfolio

INVESTMENT TRUSTS have long been perceived as boring, compared with their high-flying go-ahead unit trust cousins. Large and unwieldy, trading at discounts to their net asset values, they have often been ignored by individual investors.

In part, this has been a problem of presentation. Because investment trusts are public companies, *they are not allowed* to advertise their own shares, unlike their unit rivals. Add in the fact that unit trusts pay hefty *commissions to the financial* intermediaries, who are very influential in determining investors' decisions, and the *investment trusts' handicaps* are obvious.

However, investment trusts are an extremely sensible *option for the small investor* to consider. Because trusts invest in a wide range of equities, they give the shareholder a balanced *portfolio which would be* extremely expensive and time-consuming to build on his own. Since trusts are publicly *quoted, the value of the investment* can easily be tracked and the shares quickly sold when necessary.

Some trusts aim for capital growth, others for income, and some have a split-level structure that offers both. Special *funds exist* to invest overseas, both generally and in specific countries; in individual market sectors or in special situations, like start-ups or management buy-outs. It is very much a case of paying your money and taking your choice.

The argument over whether investment or unit trusts have shown the better performance will probably never be decided, but, in theory, investment trusts have certain advantages. They have greater freedom to invest in unquoted companies or in assets like property, and they can also "gear up"—borrow money to finance the purchase of new assets. Although gearing increases risk, it should also enable trusts to increase returns.

Despite all this, trusts have an uphill battle to attract the public. The industry was disappointed that the Chancellor lumped investment and unit trusts together in his proposals for personal equity plans (PEPs). That means that investors will be able to put only the higher of £420 or 25 per cent of their plan into investment trusts.

But in the last couple of years, recognising the need to improve their marketing, trusts have begun to offer savings schemes linked to their funds. Earlier this year, Dunedin launched a scheme with a minimum outlay of only £30 a month or a lump sum of £250. The investor can choose between four trusts with varying strategies, and there are no charges made, apart from dealing costs.

One possible help to the trusts' marketing push is the new provision in the Financial Services Act, which will impose on intermediaries a duty to recommend investment trusts if they are in the client's best interests. How well it will work in practice remains to be seen.

Whatever the attitude of the public, last year was a good one for investment trust returns. The average share price rise for all trusts was 32.4 per cent, compared with a 22.3 per cent rise in the FT Actuaries All-Share Index. *Discounts to net asset* value (NAV) narrowed from 20.8 per cent to 18.4 per cent, the first time the 20 per cent barrier had been breached *for 10 years.*

This question of NAV is all-important, because the sector is undergoing one of its periodic upheavals *when outsiders fix* their beady eyes on the break-up potential. Wood Mackenzie figures show that almost £800m *of takeover bids* were made for investment trusts last year, with unitisation plans removing another £161m.

Several of these bids have been disguised rights issues by quoted companies. Take, for example, the John Mowlem bid for Glasgow Stockholders. After the building firm had emerged victorious, it promptly sold Glasgow's portfolio to realise the cash. In effect, it had raised the equivalent of a one-for-four rights without tapping the pockets of existing shareholders.

Big Bang has brought big players into the UK equity market, making the disposal of an investment trust portfolio that much easier. The most significant bid last year was the offer by Robert Maxwell's BPCC for *Philip Hill Investment Trust. After* succeeding with a £330m bid, BPCC sold almost the entire PHIT portfolio to Goldman *Sachs.*

Whatever the motives of the bidder, a trust break-up is nearly always good news for the *small investor. In last year's* bids, the cash alternatives were nearly always close to the formula net asset value. The effect *is to give the investor* an each-way bet: if the fund performs well, he receives an above market return; if it performs badly, *it can be* broken up and the discount to NAV will become his profit.

Philip Coggan

Investment Trusts and Unit Trusts compared

Top performers—1 and 5 years % growth to end 1986

Investment trusts	Share price perf.	Net asset value	Unit trusts	%
One year				
GT Japan	95.1	89.8	L. and G. Far Eastern	112.1
Govett Oriental	83.4	80.7	County Japan Growth	102.9
Mrt. Currie Pacific	79.2	87.1	Sun Life FE Growth	100.0
F. and C. Eurotrust	79.0	51.3	Eagle Star FE	99.1
Murray Sm. Mkts	78.2	56.2	Wardley Japan Growth	89.4
Pacific Investment	73.1	—	Dunedin Far East	86.5
Fleming FE	73.0	70.7	Cannon Far East	86.1
Pacific Assets	71.8	49.7	Sun Life Japan Growth	82.3
Greenfriar	70.9	34.2	Mercury Japan	81.5
TR Pacific Basin	70.7	67.9	Henderson Jap. Sp. Sits.	81.1
Five years				
F. and C. Eurotrust	535.7	371.8	Hill Samuel European	499.1
Lowland	520.1	426.1	Fidelity Japan	480.8
Fleming Japan	435.1	318.7	Barrington European	457.3
Drayton Japan	429.7	310.4	Henderson European	395.2
Greenfriar	416.7	296.8	Mercury Recovery	357.9
Murray Sm. Mkts	415.3	294.7	Schroder European	355.0
Fleming FE	380.6	308.3	GM Recovery	354.1
TR Pacific Basin	369.7	334.7	S. and P. Europn. Gwth.	353.9
Bankers	352.1	257.6	Fidelity Special Sits	351.3
Law Debent. Cpn	348.4	—	Equity and Law H. Inc.	343.3

Investment trust figure include allowance for reinvestment of net income.
Source: AITC.
Unit trust figures are offer to bid, income reinvested.
Source: OPAL.

Backbone laid bare

Walk Wild

Richard Gilbert heads up hill and down dale in the bleak, unspoiled fells of the northern Pennines

THE NORTHERN Pennines are drained to the east by three great rivers: the Swale, the Tees and the Wear. Proceeding north the dales become progressively more barren, open and unspoilt, and walkers who enjoy striding over trackless upland country will find their Mecca in the bleak fells of Upper Weardale.

Weardale is very much a working dale, making few concessions to the visitor. Although a number of small hotels and guesthouses exist in St John's Chapel and Cowshill and a long-distance footpath, the Wear Valley Way from Killhope to Willington, has been established, the fells are trackless and walkers are rare. Grouse shooting, the mainstay of the moors for the past 500 years, is now on the decline, hill farmers are struggling, and the uplands are reverting to the wild.

Yet, Weardale has a history of prosperity and endeavour. In the mid-18th century, the Quaker-owned London Lead Company started to mine galena, a silver-rich ore of lead, and thriving communities sprang up in the dale. The company built solid stone houses, schools, libraries and hospitals for its workers and paid above-average wages.

Inevitably, the impact on the landscape of the dale was considerable with the construction of roads, shafts, crushing and dressing mills, water wheels, chimneys, smelters and reservoirs. Flues up to a mile long were run up the hillsides in an attempt to disperse the poisonous fumes from the smelters above the grazing level for cattle. Stumps of chimneys and ventilation shafts can still be seen.

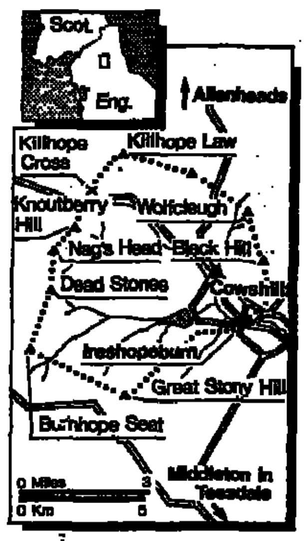
The industrial history of Upper Weardale adds a distinctive flavour to a walk on the high fells: the hillsides are pock-marked by old scars; exposed minerals abound beside the gills; and down in the dale archaeological trusts are restoring important relics.

My last visit to Weardale took place on one of those perfect June mornings when the sounds, sights and smells of the countryside elevate your spirits and bear you on effortlessly. Spring was late and the ash trees were still in bud but the bluebells were startling, bracken tips were pushing up through the turf, and the air was heady with the aroma of sun-warmed meadows. Throughout the day larks, curlews, dunlins and pipits kept up their song. Life was emerging with vigour; even the puddles were black with threshing tadpoles.

I set out from the hamlet of Ireshopeburn, from where a deep valley runs south into the hills overlooking Teesdale. A rough track led to the shoulder of Great Stony Hill but then I was left to make my own way through the heather, bilberry and cloudberry bushes.

Great Stony Hill sports an incongruous white Ordnance Survey pillar marking spot height 2,322 ft, while some bell pits and tumbledown walls of grey, lichen-covered gritstone, half covered by coarse moor grass, indicate that the fell was prospected in bygone days. I found it to be a wonderfully lonesome summit: Weardale stretched away to the east, green and lush, and above the call of the plovers — known locally as Pennine Whistlers — I could hear tractors at work in the fields beside the river, 1,000 ft below.

I walked west towards Scaud Hill and Burnhope Seat, the huge mass of Cross Fell filling the view south-west across Upper Teesdale. Although hot, a whisper of breeze was enough to clear the air and sharpen the landscape. Cross Fell was flying its usual banner of white cloud, announcing its authority as the highest of the Pennine peaks at 2,930 ft; it dominates a large area of northern England, being conspicuous from the Lake District, the Howgills, the Swaledale Hills, the Roman Wall country and the Cheviots.



At Burnhope Seat, the broad ridge swings north and leads over Dead Stones and Knoutberry Hill to the Alston road at Killhope Cross. Beside an old fence, I discovered a Swaledale ewe tangled in rusty barbed wire. The wire was attached to a post, effectively tethering the ewe who had nibbled the available heather down to bare peat. She was now thin and weak.

With no knife I was unable to help, for as she struggled so I became scratched and torn by the wire. Later in the day, back in the dale, I telephoned the farmer who proposed to mount his balloon-wheeled motorised tricycle and proceed immediately to the rescue.

"Walkers will enjoy the desolation, the huge skies and the extensive views"

From Knoutberry Hill a deviation can be made north-east, through Weardale Forest, to the Killhope Wheel. This is a gigantic, 34 ft-diameter, over-shoot water-wheel that once powered an ore-crushing mill. The wheel has been fully restored.

Killhope Cross is a low stone cross set in the heather at the summit of the B6293 road which, at 2,056 ft, is the highest classified road in England. On the west side the road descends steeply, and rough moorland soon gives way to green fields and the cluster of grey stone houses at Nenthead.

On the north side of the road, swelling moors lead to the cairn on Slate Hill, the meeting point of counties Durham, Cumbria and Northumberland. Here, I turned east towards Killhope Law, at 2,208 ft the principal summit on the north side of Weardale, and carrying a stone cairn of massive girth — a welcome feature in such barren, rolling country.

From Wolfcleugh, I turned south over Black Hill and began the descent to lower ground. On Race Head, I met a grassy path dotted with mountain pansies while wild raspberries tangled in the hedge. Ireshopeburn lay below.

The Upper Weardale round from Ireshopeburn is a typical moorland leg-stretcher; 20 miles across trackless fells in a forgotten corner of England. It can be shortened easily by a descent to the dale from any point; but hardened walkers will enjoy the desolation, the huge skies and the extensive views far too much to cut short such a magnificent expedition.

The northern Pennines, which contain the largest area of land over 2,000 ft in England and could be called the country's last true wilderness, have been recommended for the protective status of Area of Outstanding Natural Beauty and the Environment Minister recently approved the designation in principle. This will help to preserve the character of the bare backbone of England.

Gardening: Robin Lane Fox defends the over-pruned clematis, and Arthur Hellyer plants his dahlias

Inaction brings its own reward

INTERMITTENT sunshine has caused a sudden rush of growth: how much of it should be allowed to survive?

Fair weather gardeners are beset by the urge to cut back: show them a tangle, a thick wall shrub or a bush which has not been touched for years, and they will set about it, thinking they are doing some good. Usually, they do exactly the opposite. At this time of year, nothing excites and attracts them so much as a clematis bursting with young shoots. I would like to put in some timely words in its defence.

There must be something about those silky green stems and disordered tendrils which work on the busybody's subconscious mind. Last year, I was helping a noted public garden to interview for a new deputy head gardener. The short list had more letters after their names than the heads of most universities; they had bedded out in Clarks and done several years under glass. I asked all five the same question: "One of this garden's features is a big Clematis Montana on the wall: when and how would you prune it?" Three of the five said they would cut it down within a foot of the ground each spring. "Just before Easter?" I could not resist asking. "Yes, so long as it was not too early," one of the City and Guilds garden-graduates reassured me.

These answers were crazily wrong. In a fortnight's time, Clematis Montana will be opening that marvellous sheet of single pink or white flowers, scented like extra-sweet bath-powder and born on growth which dangles and tangles from rough woody stems. It will be flowering in early May, except, I suppose, in the three public gardens which has "trained" gardeners who cut it back, butts and all, a short while before flowering."

The right answer is a simple moral to all pruners: do nothing whatsoever and allow this Clematis to find its own level. We support ours on cheap chicken wire with a fairly wide mesh, although some of the experts allege that metal wire becomes too hot in the sun and can scorch the leaves: I have never found this to be true. If the older branches eventually turn bare after 10 years, cut them out, using commonsense. If they outgrow the shed or trellis or the neighbouring carport which you wish to hide, cut them lightly in the week after flowering. Never touch them in spring.

I dwell on this cautionary tale, partly because it still upsets me, also because it applies to every other Clematis in the book. I know they look tempting at the moment, especially if they are throwing up new young growth from the top of a tangle on a sheet of green plastic wire. Nonetheless, do nothing.

By late April, you have either missed the boat or you will be attacking much too soon. As a very rough rule, Clematis which flower before midsummer do so on their previous year's wood. There is a strong argument for leaving them completely alone, but if you must prune them, set about them a fortnight after they have flowered.

As for the later-flowering varieties, most of them can be cut back hard, but the cutting should never be done later than early March. Many of the best-loved varieties suffer from late April pruning: among them are the popular Jackmanii forms with violet blue flowers, sky-blue Perle d'Azur (my own favourite) and the mauve-pink Comtesse de Bouchard. Prune these forms, if at all, early next year. I recommend the individual guide to pruning given in the catalogue of a very good Clematis nursery, Fisks of Westleton, Suffolk IP17 3AJ. They, too, adopt an attitude of laissez faire: most varieties, you will find, need optional pruning, or none. This advice goes right against most unthinking gardeners' instincts.

Does Clematis-wilt alter the matter? Nobody knows why this sudden sickness causes stems to collapse. I share the view that it is a sort of Clematis bear-reaction after a period of excessive, over-rapid growth. The system cannot cope, so the leading indicator turns sharply downwards. Pruning does not affect it, but I can only pass on four bits of conventional wisdom. When planting, bury the lower three inches of the stem beneath the ground: it helps to encourage more side-buds and stems at ground level which will ensure against wilt striking any one of them.

Try to plant in rich, damp soil and keep the plants as damp as you can during summer: readers quite often write to remark how their Clematis flourish in wet ground even beside streams. As a defence, spray the lower two feet of a plant with Benlate at three weekly intervals, beginning now and continuing into July with one final drenching in mid-September, a time when the wood of a main stem sometimes starts to split.

Lastly, do not be afraid that an outbreak of wilt has totally killed a plant or made a site unsuitable for planting with a second Clematis. Shoots will often re-appear from below ground after a main stem has withered; the disease attacks the stem, not the root, and so it does not upset the soil for any similar replacement.

It all sounds specific and quite confident, but we still do not know what happens and why. Only last summer I had watered and Benlated the pink-grey John Warren, another of my favourites, which I had buried dutifully. It died, promptly, in September. If it had been pruned it would probably have died sooner: without its temperament, the clematis would not be the plant which intrigues us all.

Time to get them in

IF LAST year's dahlia tubers are still in the loft it's time to get them growing again. They can be planted in the garden where they are to flower, provided they are covered with a good two inches of soil to protect them from frost. But if a greenhouse or frame is available it is better to start them in this.

It is probable that not all the old tubers will grow again. Some may have withered beyond recovery, others may have lost their growth buds either by injury or decay. Out in the open the first young shoots may be eaten by pests, slugs or snails which find them a delicacy. So for all these reasons direct outdoor planting is likely to leave some gaps which will have to be filled later. Through starting under cover, such dangers are avoided and when the time does come to plant out in late May or early June, there will be no doubt that living plants are being planted.

Cuttings will give the widest choice of varieties and they are what the experts will almost always buy. They will have been growing in a moderately heated glasshouse and it will not be safe to plant them outside until the third week in May at earliest, and even then with some cloches or large flower pots at hand to put over them should there be a frost warning. The tubers are safe in late spring because the soil gives them adequate protection against the short duration frosts that occur then. But exposed shoots are a totally different matter as it takes only a little could kill them.

All this applies equally to seedlings and to the small tubers now on sale but these little tubers can be potted in the smallest pots that will contain them. The pots will need to be kept in a light, frost-proof place for a while. But because they are so much smaller than old tubers, they will need far

less space. It may even be possible to accommodate them for a few weeks on a sunny window ledge.

I do not like any of the flowers to be over six inches across, because above that they begin to look out of scale with other plants in the garden. Also I prefer to mix dahlias freely with herbaceous plants, shrubs and roses. They look right in such company and they keep on flowering non-stop from early August until blackened by frost in the autumn which, with a little luck, will not be until late October.

It is necessary to support dahlias, for their stems are brittle and easily broken out at the base by the weight of flowers and leaves they carry. I use three strong stakes per plant and put a couple of ties of soft string right round these to contain the stems. An alternative is to use the hoop supports that can be bought in most garden shops, fix these over the plants early and let the stems grow up through them.

The plants also need plenty of water in dry weather, for their stems are fleshy and their leaves large and thirsty. They also require plenty of food. A good helping of manure or compost can be mixed with the soil at planting out time and an occasional liquid feed given during the summer. And that is really all there is to dahlia growing. They are among the easiest of plants with which to score success.

Dahlia breeders have got themselves into the impasse which has afflicted the breeders of many highly popular plants. All the attainable heights were scaled many years ago and all that is possible now is to make minor recombinations of qualities already there. Yet new varieties continue to pour out and the proliferation of names is so great that only the most dedicated enthusiasts can remember them.

They will seek out what they want from the nurseries that produce them. Ordinary gardeners are best advised to choose from the excellent illustrations on the packages because there are no bad dahlias today.

Diagrams go up for grabs

Architectural drawings attract ever higher auction prices, Antony Thorncroft notes

ON APRIL 29, Sotheby's is offering a good group of architectural drawings, tacked on to a watercolour sale. This is a sector of the art market whose time has come—much to the chagrin of architectural historians, a small, worthy but impoverished band who were the traditional collectors.

Now they are left standing in the bidding by the new wealthy investors, notably the Canadian Phyllis Lambert, who has amassed the finest collection in the world. She particularly favours drawings in the original working hand of the architect rather than the more decorative completed studies sought by most buyers. There is undoubtedly a powerful element of interior decorator interest in the market, boosted by dealers under commission to buy in particular fields—banks, not surprisingly, tend to buy drawings of banks, hotels of hotels, and on, and on.

Until a decade ago most architectural drawings were completely overlooked: there are still institutions with vulnerable but ignored visual records of their past mouldering away in vaults. But the current craze for history has liberated many portfolios, and now the trade competes against private buyers for evocations of what was, and often what might have been. Recently prices have been rising by about 20 per cent a year, with no sign of a break. Most lots at auction still sell for less than £1,000.

The top price, in excess of £30,000, is likely to be paid for a "Tribute to the Architecture of Rome," by Charles Cockerell, an imaginative panorama of ancient Rome, with some genuine, some fanciful, buildings. It is a classical equivalent to Cockerell's "Tribute to the Architecture of Sir Christopher Wren," which sold for £49,500 at Sotheby's two years ago. This vision of Rome was exhibited at the Royal Academy in 1819 and was the recognised means by which young architects could flaunt their imaginative talents.

By a neat coincidence Sotheby's is also offering a similar youthful exravaganza, an imaginative view of the Forum in Rome, drawn by James (later Sir James) Pennethorne in 1825.

These are decorative items. The more committed collector will be interested in an esoteric lot, a small design for a chimneypiece, to some eyes a brownish sketch, to others a touch of genius, by William Kent. It was intended for Holkam Hall in Norfolk, the seat of Thomas Coke, later Earl of Leicester, and drawn in 1734. It carries an £8,000 top estimate.

If pretty pictures—and some of the lots, especially the watercolours of interiors in pre-Vesuvian Pompeii, would be more suited to a general sale—and autograph scraps from the great represent, in price, the top end of the architectural drawings market the bargains lie in the modern designs, and the plans and diagrams, which are still cheap. There is a group of drawings of offices and shops which, in the early 1960's, turned Bristol from a quaint regional capital into a faceless modern sprawl. Somehow they seem oddly appealing, with their "Thunderbird" styled cars and clean exterior lines.

Another modern building up for grabs is the BBC Television Centre, as designed by Graham Dawbarn in the 1950s. A Corporation man might stump up £900 for this idealised view of his office.

The sharpest price appreciation has been for interiors, much sought after by decorators. A drawing room in Florence as painted around 1830 looks modestly estimated at around £1,000, and a group of designs for window hangings by the Swedish upholsterer Frans Johan Pettersson are also cheaply priced. This is Sotheby's big sale of the year in this sector: Christie's is more active and often comes up with choice items. Prices may have risen steadily but they will surely seem modest in a few years' time.

Piratical traditions sail on

William St. Clair finds that abuse of book copyright is as old as print itself

ERNEST HEMINGWAY willed the royalties from his posthumous works to the Hemmingway Society. Because copyright in such cases dates from first publication, the recent appearance of Hemingway's The Garden of Eden should ensure the society an income for the next 50 years — but only if the royalties are actually paid.

Copyright protection has caused controversy since the invention of the printed book. In England, the authorities devised a method of encouraging exploitation of printing while at the same time keeping it under strict control. The Charter of the Stationers' Company, obtained in 1556, required that all book titles should be registered prior to publication.

Entries to the register could be made only by members, ownership was thereby ensured in perpetuity. Members, however, were forbidden to register any book which had not been licensed before publication; that privilege was reserved to the state. Thus publishers were established as a legalised monopoly only if they co-operated in enforcing official censorship.

It was not long before the system came under strain. In 1559 regulations were issued to tighten up the registration requirements. The Stationers were instructed not to regard any book as licensed unless they were authorised to do so by Queen Elizabeth I "by express words in writing," or by not fewer than six members of Her Majesty's Privy Council. No wonder Shakespeare complained of "art made tongue-tied by authority."

Many early English printed books carry a note that they are "Entered at Stationers Hall." As late as 1842 it was laid down by statute that no action for copyright could be started unless a book had been so registered. But, although the Stationers retained their privileges long after the censorship regulations were relaxed, they found it increasingly difficult to enforce them. The Copyright Act of 1709 introduced a new party to the transaction, the author. For the first time, others were given the right to assign copyright for a limited period instead of having to surrender it outright.

During most of the 18th century, in spite of clear wording of the law, the booksellers strove to maintain perpetual copyright. They were able to cite a series of successful rear-guard actions in the English courts. They were unable to do much about Ireland. There was scarcely a work of importance published in London or Edinburgh which was not immediately reprinted in Dublin.

Dublin was then a city which had pretensions to being regarded as an intellectual centre, but most volumes now described by antiquarian booksellers as "first Irish edition" had been sent straight to Great Britain to undercut authorised sales. Samuel Richardson split his book, Sir Charles Grandison into three sections, which were given to different London printing houses in an effort to protect his interests.

Dublin publishers obtained advance copies, and the pirate edition of Grandison came out before the authorised original.

After the 1800 Act of Union, Irish pirates were no longer able to publish and distribute with legal impunity. But their place was taken by publishing firms on the Continent. Galignani and Baudry in Paris, and Tauchnitz in Leipsig, specialised in printing best-selling English titles without payment; others firms in Brussels, Frankfurt and elsewhere did likewise.

The US was another beneficiary. Charles Dickens led a long campaign against American publishers who abused the copyright of his books, especially when they added prefaces abusing the author.

To Dickens, literary piracy was a straightforward crime equivalent to robbery. Not everybody agreed. Many people, distrustful of the long historical association between copyright and censorship, claimed that there could be no property rights in ideas. An English judge ruled that property had to be visible, tangible and corporeal. The American publisher, Henry C. Carey, who wrote a book in defence of the system from which his firm benefited, suggested that words were free to all men and that all an author did was arrange them in a certain order.

The argument which finally brought the US into the international copyright convention concerned competition, not rights. As long as Americans could read cheap reprints of English books, it was noted, commercial publishing would remain uneconomic—American authors could not be expected to write for nothing. Copyright protection for foreigners would therefore help production and increase local contacts in the literary industry.

Nowadays, most countries of the world adhere to an international convention which agrees legal protection of copyright for 50 years after an author's death. But copying is easier than ever; book pirates flourish.

FOOD FOR THOUGHT

Easy to please

THESE ARE, they say, divisive times. Polarisation is rife: the North and the South, men and women, smokers and non-smokers, all digging trenches and putting up barbed wire. There is a tendency towards the same effect in questions of food. So, at the risk of being caught wandering amiably in no man's land, a grubby white napkin nailed to my wooden spoon, let me preach a middle way.

In those trenches over there are people who cook for themselves, shop carefully, read me (and Philippa Davenport), like fresh vegetables and may even be eccentric enough to grow them at home.

Over here is everybody else, them, the great British public: easy to please, lazy, fond of something tasty, disinclined to face the rigours of the kitchen, with no head for nutritional values, and a soft touch for a bit of glamorous packaging and a touch of novelty.

Most people who write about food belong to the first embattled group because we see ourselves as being in favour of food and so we write on its behalf. We are in the food corner and we assert the claims of food against puritanism, neglect, hurry and the other follies of the time.

All well and good but why should giving myself such a simple thing as a cauliflower cheese land me a lot of work for an often dubious result when a very few extra pence and a stretch into Waitrose's chilled cabinet will give me the whole thing at no trouble at all and, I am bound to say, better than I can do it myself? I choose cauliflower cheese as my example because it is a simple British thing. Of course, I can't make samosas and onion bhajia to compete with the convenience food versions now available.

There was atime when manufactured convenience food is a venience foods sought to match our attempts at home cooking. Gradually, in this period of gastro-archaeology, Fay Bentos tinned steak and kidney pies gave way to the Birdseye dinner for one with its little airline-style polystyrene tray with meat and gravy and veg in shallow pockets.

Since then, three things have happened: technology has advanced, shelf-life has shortened, and the manufacturers have realised that their real competition lies as much with the restaurant takeaway as with home cooking.

Of these factors, the shortening of shelf-life is the most crucial. Instead of the old order when a product had to survive warehousing, transport, wholesaling, delivery and then several weeks on the shelf, food now can come out of the kitchens as if in a restaurant: a dish with its vegetables and sauce all arranged and awaiting the fork.

For a longer life, there is the freezer: but vacuuming and sheer speed of turnover mean that a ready meal can go into the shop and out again without any change or loss of freshness, let alone any risk of going off.

This has always been possible, and indeed normal, in France where the trotteur prepares, on the premises, a range of dishes ready to heat through or to serve cold, of high quality too. No French housewife has even felt the need to apologise to her guests because her tarte was bought in.

Some people really believe that manufacturer's convenience food inevitably means a lot of additives—today's bogey word. Maybe people should relax a bit. Fast-turnover vacuum-packed or frozen foods require very little in the way of additives—stabilisers, emulsifiers, and so forth. The cabinets where these things are displayed resound now with defensive phrases — "contains no artificial ingredients," "positively no additives," and so on.

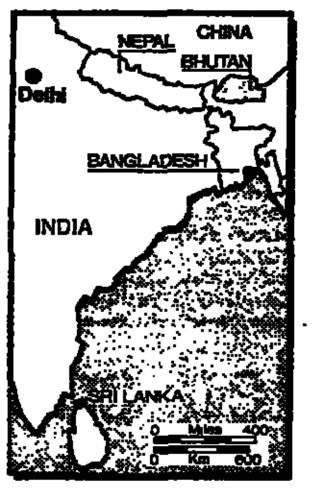
Personally, I shall not worry about additives as long as I cannot taste them.

E-numbers don't put me off —after all, they are there to tell us that the substance in question has been passed as wholesome by cautious Brussels bureaucrats. And when I kill myself in the kitchen, it is going to be good old-fashioned food poisoning that does it—not E-numbers.

But, you are beginning to ask, if they are so easy, cheap, delicious and free of vices, why don't I live on Crumbly Cod Bake and Boeuf Provencale rather than slaving away making my own hollandaise and chopping parsley? As well ask a pigeon-fancier why he doesn't use the telephone instead.

Peter Fort

Trek to the top of the world



For those who love a secret, take time out to visit Bhutan

Lucia van der Post

HOW TO SPEND IT

HOW WOULD you like to explore a remote mountain kingdom filled with fertile hills and valleys, snow-capped peaks and people whose way of life has scarcely changed in 1,000 years? If it appeals, then join our second special FT adventure and come with me and Doug Scott—the first Briton to stand on Everest, and one of the world's most knowledgeable and experienced Himalayan explorers—to the magical, mystical Buddhist kingdom of Bhutan.

If you have never heard of Bhutan, or don't know where to find it on the map, do not worry. Bhutan has long been one of the world's best-kept secrets. Nestling to the east of Nepal, to the north of India, to the south of China and Tibet, unknown, unvisited except by the knowing few, it has long been shut-off from the world by its geography and by inclination.

Here is a country where the King is passionately committed to preserving its centuries-old customs and civilisation, where only 2,000 tourists are allowed in each year. It is a country so new to some of our Western ways that it didn't have a postal service or any roads until 1964. The only way in is by plane to Bagdogra on the Indian border and then by road or by plane to Paro.

It has just 1.4m people, mainly Buddhist, mostly living a simple agrarian life unchanged since the Middle Ages. The men till the soil and tend the herds. The women weave—and oh, what exquisite, intricate textiles do they weave—wall hangings, dresses, tapestries, coats.

Until very recently Bhutanese were forbidden by law to wear Western clothing—today it is allowed but few choose to do so. The women mostly wear the kira—a large length of handwoven material wrapped around the body and held in place by a large brooch known as a coma.

The kiras are woven on handlooms in the home and each valley has its distinctive weaves and patterns handed down from generation to generation. The comas, too, are handcrafted in Bhutan in tradition designs which usually have religious significance. Made from gold, silver, bronze or brass they are sometimes combined with semi-precious stones as well.

The men are gloriously wrapped in a long brightly-coloured garment known as a kho—a strange and wonderful sight they must seem at first to the foreign visitor. The robe is handwoven on the household loom and tied at the waist with a belt. Extra folds form a pouch in which they carry everything from a pan leaf to cigarettes and money to tea and rice bowls, while at the waist there is a small sword for chopping betel nuts, meat or wood.

Our tour will take us into the heart of this ancient civilisation. We fly first to New Delhi and after a day there fly on to Bagdogra and into Bhutan. For a first taste of Bhutanese life we go to the most revered place in Bhutan—Takstang Monastery (Tiger's Nest), one of the 1,300 fortress monasteries (or Dzongs) in the country.

At the core of the tour is a seven-day trek from Paro to Pangrimza. It takes us through hills and valleys, along rivers and up gorges, through tiny villages and quite large settlements. Always in the background are the towering peaks of the Himalayas.

If you have trekked in Nepal and think this is more of the same, think again — here you will meet no other tourists, for it is a route that no tour operator has used before.

We start at the end of a paved road that has followed the Pa Chu river down the Paro Valley. There, in the lee of the spectacular ruins of Drugyel Dzong, our pack ponies and trekking guides will be waiting for us.

Every day will bring new things to see — from unique Bhutanese stone baths (improvised from diversions in the streams) to traditional Bhutanese houses with their looms and altars. Trekkers will probably be invited in for a cup of Tibetan butter tea or chang (a local rice brew). Lunches are often cooked in village houses.

En-route we will almost certainly come upon a village archery contest — archery is the national sport and a deeply serious matter, with local rivalries running long and strong. Contestants often travel many miles to take part in what is usually a happy, colourful three-day event, with much feasting, generosity and traditional folk dancing.

On the way we are also likely to come upon Bhutanese villagers travelling to and from the capital, Thimpu, or Paro—often a 10-day walk or more from the village they travel with all the supplies they need for the journey.

On the trek we cover very long distances each day, so only keen, fit walkers should contemplate coming — the shortest distance covered is 18 km (six-seven hours varied walking with lots of stops for lunch, refreshments, looking at the views, taking photographs, etc) and the longest is 24 km.

The highest altitude we reach is 13,612 ft above sea level. The distances may sound long but they don't have to be covered at speed. All the baggage is carried by ponies or, as we reach the higher altitudes, by yaks.

At night we will usually sleep in tents, put up and carried by our guides, but on a few sites there is an option of a locally-built yak herder house. Food is cooked at the camp sites by our guides and wil include traditional Bhutanese specialities.

After seven days on the trail we come to Thimpu, capital of this magic land. There will be a chance for some more conventional sight-seeing, to buy some traditional Bhutanese crafts, to sample the local shops and to take a few excursions further into the Eastern Himalayas.

This tour, alas, is not cheap—we are going into areas where no other tour operator yet goes. We will need equipment and guides in a country where few tourists are allowed. Those who are, are not allowed in cheaply. But it is a chance to catch a glimpse of a land which for the first time is allowing the Western world to share its magic.

The group, like all the others, will consist of 16 people. To guide us we will have a local Bhutanese guide, but also the inestimable Doug Scott, who besides being a world-renowned mountaineer is deeply knowledgeable about Buddhist culture and has climbed more Himalayan peaks than almost anybody else alive. As before, Abercrombie & Kent has organised the tour for us. The price is £2,975 per person (there is a supplement for single rooms of £330 per person) but this includes almost everything except a few personal expenses.

The tour leaves on Friday, October 23 and arrives back at Heathrow on Saturday, November 7.

For a more detailed itinerary write to the Financial Times, Bracken House, 10, Cannon Street, London, EC4 and mark your envelope "Bhutan."

Anybody definitely wanting to reserve a place should send a £300 deposit (if Abercrombie & Kent offers you a secure place, it is non-returnable—we have to do this because last time a few people cancelled at the very last minute) and a letter to me at the FT. To allow time for overseas readers to apply I will allow a week before I pull names out of a hat on Tuesday, May 5, and then it will have to be first come, first served.

P. S. You must be energetic and fit to contemplate the tour because of the distances covered and the altitude—if in doubt consult your doctor. For readers who want to know more about Bhutan, our Delhi correspondent, John Elliott, has just come back from Bhutan, where he had an exclusive interview with the King. He will be reporting on the front page of the Weekend FT next month.

James Ferguson

Small wonders

WALLETS will have to get bigger.

Besides a rush of new "smart" debit cards that are set to turn us into a nation of (probably silly) cashless shoppers, designers are compressing every-day items into the internationally agreed credit card size of 85mm by 54mm.

AM radios, FM radios, travelling alarm clocks, solar powered calculators/clock radios, knives, data-schedulers that will bleep you a day before your wedding anniversary, and a device that looks and behaves like a neatly squashed Swiss army knife can all be slipped in beside the Amex or Diners—if you can find room in your wallet.

"With all the new in-store credit cards, such as Marks and Spencer's, the attitudes of British shoppers are changing. They're insisting on more space for cards in their wallets," says Gerald Bladen, deputy manager of Swaine, Adeney, Brigg, the whip and wallet sellers of Piccadilly.

Bladen is confident that his store will cope with the new demand because it is used to catering to Americans and Japanese, who have long favoured cards instead of cash. A breast wallet holding 14 cards sells for about £75, depending on leather and trimmings.

Here are some useful credit-card-sized gadgets, less flexible but far more friendly, to stuff in your wallet.

Radios. Casio, Sony and Citizen make a range of card-sized radios. Except for one from Sony that has a speaker, the rest use headphones which, in some cases, double as FM aerials.

These radios are inconspicuous and convenient, but if you want high quality listening, buy a personal stereo instead. Battery consumption can be high so choose radios with rechargeable batteries. Replacement batteries cost about £2.50. Sony ICF-301 offers FM and AM. It comes with a special rechargeable battery and a charger that uses ordinary batteries as its power source. Around £50.

Sony ICR-501. An AM receiver which uses a lithium battery giving 200 hours of play. £30.

Sony ICR-585. Mono, lithium battery and a built-in ceramic speaker that gives a reasonable sound. £45.

Casio RD-10. An FM receiver supplied with a rechargeable battery and charger. £25.

Casio FM Card RD-80. A combination of a solar-powered calculator and a lithium battery-powered radio. £30.

Citizen AM. A simple battery powered radio. £13.

Clocks: Most calculators also operate as alarm clocks, but the screens are small, making it difficult to read the time in the morning. However, Casio makes a card-sized clock, called the Travelling Alarm Clock, that has a large display ideal for heavy-sleeping myopics. It costs about £12.

Databanks: Databanks are electronic devices that can store information, such as names and telephone numbers, and some have the ability to correlate different bits of information.

Casio sells the DC800 Data Cal, which is described as a "scheduler." Its memory is divided in two, one part is for telephone numbers, which the card never forgets, and the other is for prompts which are erased shortly after the alarm has sounded. It can remember up to 50 items, which makes it ideal for keeping personal information—but not vast amounts of business data. It can remember names and numbers. The DC800 also works as a four-function calculator and alarm clock. £35.

Calculators: Two super-thin calculators from Casio are the "Film Card," a solar-powered calculator for £9, and the PW-150, a watch and calculator for £12.

Survival Tool: This device is designed to do some of the jobs normally done by Swiss army knives but it can slide into your wallet, at a squeeze. It has nine different functions, some rather more useful than others, including a bottle opener, can opener, spanner, knife, scissors and ruler. £6.25 (available from Lillywhites). An even smarter version, with 12 different functions, is sold by Fast Forward, 16 Newburgh Street, London W1.

Knife: Possibly the most appropriate tool to have in your wallet is a card-sized variation on the old pen-knife, from Tekna. Called the Security Card, its surprisingly broad and lethal looking blade withdraws into a black plastic card-sized sheath. While useful for cleaning finger-nails and scaring off muggers, it will also easily lop off your errant cheque-signing fingers. A new way of keeping in credit?

● *Peter Knight is editor of FinTech 2—Electronic Office.*

Peter Knight

1—Sony FM-AM mini-radio with rechargeable batteries. £49.95 (inclusive of p+p) from Freeway Elite

2—Casio alarm clock calculator with memory for phone numbers. £29.95 by post from Freeway Elite

3—Tough version of the survival tool—this one has 12 functions including saw, razor, bottle opener, knife, screwdriver et al. £24.90 (p+p £1) from Fast Forward, 14a Newburgh Street, London W1

4—Tekna's lethal looking pocket-sized knife. Black case, stainless steel blade. £39.95 (p+p £2.50) from Authentics, 42 Shelton Street, London WC1

CHESS

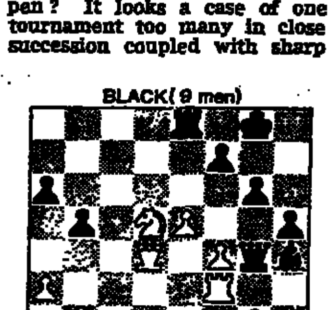
THE Swift Banking Services international is among the richest and strongest with a budget of £250,000 and £30,000 in prize money. The event, which finished late last night, attracted the leading grandmasters of the day, led by Kasparov, Karpov and Korchnoi.

With four rounds left, the race for first prize was close: Kasparov and Ljubojevic 5½/7, Korchnoi 5, Karpov, Larsen, Tal and Timman, 4½.

Yet the most notable result at Brussels is an acute disappointment for British hopes of developing a world champion. Nigel Short, who won so well at Wijk and Reykjavik and went down only 2—4 to Kasparov in their televised speed match, failed badly. Short had just 1/7. His total included five losses in a row, among them his games with all three Ks.

This dramatic reverse will drop Nigel from fourth to seventh or eighth in the world rankings, and mars his credibility as the leading Western contender for Kasparov's throne. Just why did it happen? It looks a case of one tournament too many in close succession coupled with sharp preparation by rivals for Short's pet openings. His Dutch Defence went down to Timman and Kasparov, his attack against the Sicilian Defence to Ljubojevic. Then there were oversights, none more so than against Karpov.

BLACK (9 men)



WHITE (9 men)

Here R-Q1 draws easily, but Short went 1...R-QB1?? 2 N-K3! Resigns, for if Q-K3; 3 P-B5 wins the bishop.

If Short is to revive his status as the chess crown prince, he will need very good results in the coming interzonals and candidates; but this is a hard road to the top, depending on consistent form in a series spread over a year or more.

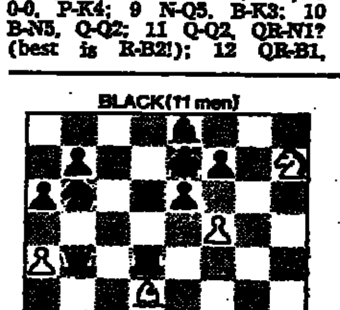
One of the best Brussels wins showed how to deploy white forces to exploit hidden weaknesses among pawns round Black's castled king. White's attack seems slow, but his surprise 27th move proves otherwise.

White: L. Ljubojevic (Yugoslavia). Black: R. Meulders (Belgium).

English Opening (Brussels Swift 1987).

1 P-QB4,P-KB4; 2 N-QB3, N-KB3; 3 P-KN3,P-KN3; 4 B-N2, BN2; 5 PQ3,P-Q3; 6 P-K4, N-B3; 7 KN-K2, 0-0; 8 0-0, P-K4; 9 N-Q5, B-K3; 10 B-N5, Q-Q2; 11 Q-Q2, QR-N1? (best is R-B2!); 12 QR-B1, P-N3; 13 P-QN4, N-Q5; 14 NxN, PxN; 15 BxN, BxB; 16 PxP BxP? (PxP is essential; now Black loses a pawn); 17 NxB ch, RxN; 18 Q-B4, QR-KB1; 19 QxP(Q4), P-B4; 20 PxP, NPxP; 21 Q-B3, B-R6; 22 B-Q5 ch, K-R1; 23 KR-K1, Q-KN2; 24 R-B2, P-KR4; 25 R(2)-K2, R(3)-B2; 26 Q-B1, B-N5; 27 R-K7! Resigns. If RxR; 28 RxR, QxR; 29 Q-R6 ch, mates.

BLACK (11 men)



WHITE (10 men)

PROBLEM No. 668

For all the achievements of Karpov and Kasparov, they have yet to equal Alekhine's successes of 1930-31 when he scored 14/15 at San Remo then won at Bled 5½ points in front of his nearest rival.

Here, from Alekhine v Maroczy, Bled 1931, is one of Alekhine's classics. How did White (to move) force a speedy win?

Solution, Page XXIII

Wine

Cheaper burgundy beckons

GOOD NEWS from Burgundy. Prices for the 1986 vintage wines are down. Official! The trade organisation, the Fédération des Interprofessions des Vins de Grande Bourgogne, has recently reported: "average prices on opening transactions are showing a noticeable decline. Generally, prices are down 15 to 25 per cent for regional appellations." Reduced prices for Bourgogne Aligoté, Bourgogne Rouge and Chablis are quoted. But apparently as yet, there has not been much business in the "villages" wines, which in the Côte d'Or means Nuits St-Georges, Volnay, Beaune, etc, and in the Chalonnais region, Rully, Mercurey and Givry.

This follows the unusually sharp drop in prices at the Hospices de Beaune auction last November, when red wine prices were 44.6 per cent down and white wines 27 per cent down on the 1985 figures. No one, however, regards the results at this charity sale as anything more than "a trend," and the highly sought-after single-vineyard growers, particularly those in the white properties of the Côte de Beaune, were not expected to pay much attention to these falls. Nevertheless, they cannot ignore the fact that two of their most important customers, the US and the UK, are experiencing very serious exchange-rate problems — although currently modified a little here. In 1985 the US bought 45 per cent of all white burgundies exported, and the UK 20 per cent. For the reds, excluding Beaujolais, their purchases accounted for 14 and 15.5 per cent respectively. Only Switzerland bought more red burgundy.

Since the trade body's figures were issued, there have been reports of sharp drops in the prices of single-vineyard red wines: over 30 per cent in Chambertin, a similar fall in a leading Beaune property; and 20 per cent and 12 per cent drops respectively in the village wines of Meursault and Puligny. It must be borne in mind that the 1986 red burgundies are nothing like as good as the very fine 1985s because there was a lot of rot, although apparently not serious in the Chalonnais. The whites, on the other hand, are said to be very good, and in some important cases better than in 1985. So their fall in price is likely to be smaller, although still heavily reliant on the American and British markets.

Yet many of us in Britain may not be stirred by news of these price falls, because, Beaujolais and Mâcon apart, burgundy has seemed unreasonably expensive for a number of years. One basis for this belief is that much of it used to be very cheap before we entered the Common Market in 1973 and had to accept the French *appellation contrôlée* regulations. The single-vineyard wines were mostly authentic enough, but the village wines, particularly such reds as Nuits St-Georges and Pommard, were often well laced with wines from the Rhône and even further afield. Gresham's Law obtained, with the cheap blended stuff making impossible the sale of the genuine article at fair prices.

The illicit trade was obviously mostly carried out by merchants, many of them in Beaune and Nuits St-Georges, rather than by growers. Consequently, after the adoption of AC regulations previous malpractices became evident and suspicion focused on the merchants: suspicion that has not altogether lifted, although their number has been greatly reduced. There were 165 in the Côte d'Or in 1955, but only 80 in 1984. Perhaps fraud was no longer profitable. The result is that it is frequently suggested that if one wants the best burgundy at all levels of quality, one must buy direct from a grower.

However, buying reliable burgundy is not so simple as that. There is a stratum of highly skilled, internationally-known growers, who in good vintages turn out impeccable wines in sufficient quantities to supply at least a selection of merchants at home and abroad. But they are a tiny minority. At the last official count in 1980, 1813 Côte d'Or growers produced A.C. wine from 7,771 ha; and only 22 — some of them merchants — had more than 20 ha, with a total of 906 ha. There were, of course, smaller fine growers too. But 742 had no more than 2 ha. Unless they could dispose of their wine at the cellar-door they had to sell it to the trade.

There is also the vital matter of the *élevage*. The essential job of a grower is to look after his vineyard and make good wine from it. He might lack the skill or equipment to "bring up" the young wine. A reputable merchant will probably take his acquisitions into his cellars as soon as possible, so that they will be properly topped-up, racked, and fined in cask before being bottled at the right time. He will then offer them around the wine-drinking world. Among the most reliable, internationally-known firms are Bouchard Père et Fils, Chanson Père et Fils, Joseph Drouhin, J. Faiveley, Louis Jadot, Louis Latour, and Remoissenet. They are also owners of distinguished vineyards. There are, of course, other highly reputable firms, some of them quite small.

From whatever source one buys burgundy above the generic level it is bound to be expensive; not because of over-pricing but because of the relatively small supply for world-wide demand, and fewer good vintages being produced than in some other French regions. Take a look at the figures. In the five years from 1981-85 the 22 Côtes d'Or Grands Crus (Chambertin, Richebourg, etc) produced an annual average of 12,000 hl (c. 133,000 cases) and the nine whites (Montrachet, Corton-Charlemagne) 3,000 hl (c. 33,000 cases). The village wines contributed a further 150,000 hl of reds and 40,000 hl of whites. Only two of these vintages can be called really successful: 1983 and 1985.

Yet over in Bordeaux, big châteaux like Lafite, Gruaud-Larose or Lynch-Bages can produce 20,000-35,000 cases; and four of those five years were eminently saleable.

Unlike in Bordeaux, young burgundies are not usually on offer until in bottle. So the excellent 1985s will be available this year from merchants here who make opening offers. And if a real drop in American demand leads to a drop in their prices, they should prove additionally attractive.

Edmund Penning-Rowsell

George Watson on a new life of Queen Victoria

Royal way of love

VICTORIA: BIOGRAPHY OF A QUEEN
by Stanley Weintraub. Unwin Hyman, £17.50, 700 pages

SOME ONE had to put the bedsheets in. Given that Victoria and Albert had nine children, it was never in serious doubt that their conjugal life was happy. But now Professor Stanley Weintraub of Pennsylvania, with lives of Whistler, Beardsley and Shaw under his belt, has essayed at length the life of the longest-serving of all British monarchs, from little girl to legend. Its thesis, insofar as so richly detailed a book has one, is that Victoria not only became the things that she did, like all good existentialists, but helped England to become her. With her death in January 1901, as he ends his long book, she "became England": since when, perhaps, we have become her, or vainly struggled to be otherwise.

Not one to leave things out, Stanley Weintraub takes the reader through the momentous tale of a gilded-cage infancy without much chance of succession, and through the immortally theatrical moment in 1837 when, at the age of 18, she was called in her nightdress from her mother's room in Kensington Palace in the small hours to be told that she was queen. Then wars and state visits and regattas, though the emphasis here is always more on private than on public affairs. The manner, to anyone familiar with American biographies of British worthies, is a familiar mix of the reverent and the amused, so that the startled British reader can suddenly find himself cast in the role of a member of some remote ethnic group like the Trobriand islanders. In a striking opening, snatched out of sequence to make a centennial point, we are offered the Golden Jubilee of 1887; a royal triumph which, if not exactly played for laughs, is deliberately made to look anthropologically strange, and it is the gap of the Atlantic as well as a hundred years that makes it so.

Why do advanced nations, and only they, sustain constitutional monarchies? They are the supreme mark of political sophistication in the present age; and the mysteriously satisfying nature of their symbolism is acknowledged here, though not explained. The book is right to record Victoria's own vivid consciousness of the paradox of high morality and constitutional restraint, and indeed she can hardly fail to have been conscious of it, signing many an act that she disapproved and condoning many an appointment she was sure was wrong. Fortunately for the new life, she was as gossipy in herself as if living a Royal-Family version of Dynasty.

Her new biographer piles on the gossip, especially in regard to her more intimate life: her "compatibility between the sheets," as he puts it, with her handsome German husband, bought in "the flesh-market of marriageable princelings." Not notable as history, the book is certainly readable as story, and there are moments when one feels that Joan Collins might some day star in its filmic adaptation.

It is also, like all good stories, sad. Victoria prayed to God she would not survive Albert, and survived him 40 years. In that long widowhood, she did and over-did her administrative duties because he would have wished her to do so, risking her own popularity in the process; and she carried a locket containing his enamel portrait to hold up at famous monuments on her travels so that he might share her pleasure in them. There is an unforgettable vignette here of her holding it up to the newly restored façade of Florence cathedral, mindful that in life Albert had seen it only in its unrestored state.

A candid, telling picture of a real woman emerges, then, and one far from simple: sentimental and yet at times heartless; more inclined to fun than her portraits and photos suggest, even those included here; caring and alert to the world about her, but in a personal rather than principled way; and neither classically conservative nor radical, but defying in her individuality all the political terms there are.

Professor Weintraub also labours to prove she was not a prude, instancing her marital bliss (which many a prude has shared) and her fondness for nude paintings. But here he may confound the inside and outside of her being, and underrate her powerful faculty for decorum in herself and others. I suspect the real Victoria was everything he says but more daunting, as one who for 64 years convincingly bore the burden and the magic of monarchy. The burden is here. The magic he, like other analysts, is powerless to explain. But she brought it to a formidable pitch, and in a frame not five feet high.

A malicious French cartoonist's view of the rapport between the Queen and her Highland servant, John Brown. A new biography by an American scholar appears 100 years after her Golden Jubilee in 1887

Fiction

Hillbillies' triumph

SIMPLE GIFTS
by Joanne Greenberg. Gollancz, £9.95, 198 pages

DARA
by Patrick Besson, translated by Nicole Irving. Hamish Hamilton, £10.95, 202 pages

THE REDEMPTION OF ELSDON BIRD
by Noel Virtue. Peter Owen, £9.95, 122 pages

A MASCULINE ENDING
by Joan Smith. Faber, £9.95, 186 pages

FUNNIEST NOVEL this week, though not necessarily the most substantial, is Joanne Greenberg's Simple Gifts, a gently humorous attack on the American way of life as seen through the eyes of an old hillbilly family from Croom Mountain, Colorado. They are the Fleuris, Ma, Pa, three strapping daughters and a son, as hopeless a bunch of farmers as you could expect to meet this side of the Rio Grande.

So hopeless indeed that they come to the attention of an official from a cultural heritage programme, who seizes upon them as a perfect example of early Americana, the very thing he needs to promote tourism in the area.

Soon the guests begin to arrive: a posse of all-American kids, appalled at the idea of milk from a cow; a pompous neuro-surgeon, whose hands are an asset to the nation; his Valium-addicted wife, sexually insatiable in the barnyard. The hillbillies take to the life with glee, trapping and shooting with wild abandon, breaking all the modern laws in the interests of authenticity. They listen to the weather on the radio, then announce that there's a storm a'brewin' because the cows are nervous. It's good knockabout stuff, too gentle sometimes where it could have been harder-hitting, but excellent entertainment nevertheless, perfectly set up for television.

Patrick Besson's Dara is translated from the French and won the French Academy's Grand Prix in 1985. It is a remarkable portrait of a beautiful woman, a refugee from post-war Yugoslavia, as remembered by a handful of narrators, most of them former lovers. Any similarity with Pasternak's Lara is no doubt coincidental, but the theme of personal tribulations against a background of momentous events is common to both and strikingly done, though one would have been happier here with more dialogue and shorter paragraphs — shorter chapters too, since there are only six in the book, one for each narrator.

They are remembering Dara to her daughter, a device which makes for a Russian doll of a novel in which each version is complemented and to some extent also contradicted by the one which follows. Dara's Parisian husband knows her only as the beautiful girl he met in the 1950s, but her former lesbian lover tells a different tale, as do the old Serbian officer now resident in Argentina, the Italian girl whose family first took Dara in when she fled from her homeland, and the partisan officer who may or may not have used his power of life and death over her father to take Dara's virginity.

Either way it's a compelling tale, full of emigré politics and appalling savagery in the last, confused days of the Second World War.

The Redemption of Elsdon Bird, by Noel Virtue, seems distinctly unpromising at first glance, but is in fact a very talented first novel about a young New Zealand boy in the grip of mentally unstable, Bible-thumping parents. Father constantly changes jobs, making himself unpopular wherever he goes by distributing religious tracts to his workmates. Mother beats her son, denies him pocket-money, and snatches an ice-cream from his hand when a kind shopkeeper gives him one. She sees Elsdon as a Divine punishment for her past bad behaviour.

Spinsterish Aunt Melva meanwhile has died in the attic alongside her mummified baby, and Uncle Bill is hanging naked from the rafters, a rope around his neck. The whole family is a barrel of laughs, one way and another, but Elsdon sticks with them because they're all he's got. They unfortunately do not return the compliment, as first father and then mother abandon ship, leaving Elsdon all alone in the world. It's a nightmarish book, every child's worst fears come true, yet not at all gloomy or self-pitying. It is written in vivid spare prose and grips from end to end.

Joan Smith's first novel A Masculine Ending is an up-market whodunnit, with occasional sideswipes at structuralism and the feminist movement along the way. London University lecturer Loretta Lawson arrives in Paris to deliver a paper at a feminist symposium—all French noun and verb endings should be feminine, according to her loonier colleagues—only to discover a corpse in her borrowed flat.

Nicholas Best

Short shrift for Tiny

MY LIFE WITH TINY: A BIOGRAPHY OF TINY ROWLAND
by Richard Hall. Faber, £9.95, 257 pages

THE TITLE—sad to say—tells the tale. This is My Life (with Tiny). It is by no stretch of journalistic wishful thinking a biography of Tiny Rowland, whose real biography would surely be the book of the year.

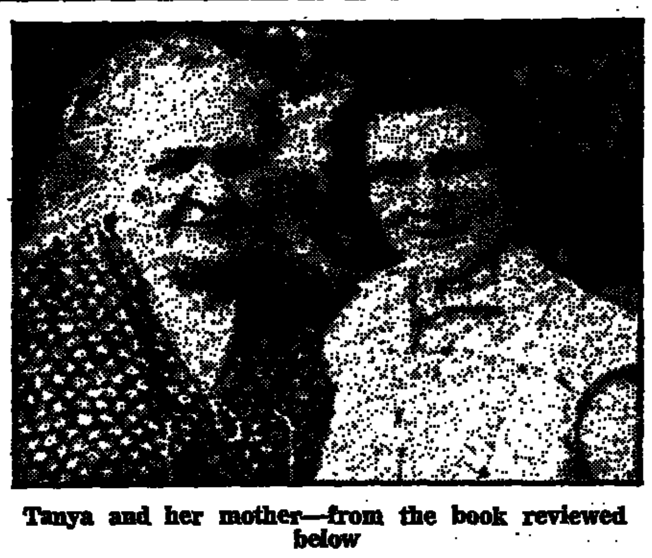
Dick Hall is a veteran Africa-hand whose career as a journalist in both Africa and Fleet Street has brought him into contact with the boss of Lonrho. Indeed, Hall has always been fascinated by Tiny: the fascination comes across in this cheerful and anecdotal yarn, but he is making bricks with all too little straw and Tiny remains as mysterious as ever. It is an extreme example of biography written without access to or co-operation from the subject.

Significantly, for all the energy with which he works over the flimsy, known details of Tiny Rowlands' life—born in India as Roland Fuhrhop, educated in Germany and then a very minor English public school, wartime detention on the Isle of Man, the obscure beginnings of tycoonery in a Rhodesian hick town — Hall never achieves the drama or intensity he has achieved in his earlier books about historical figures like Sir Samuel Baker.

The more vivid tale is of life on the Observer, where Tiny as proprietor is occasionally glimpsed but where we get vigorous stuff about David Astor and that great survivor, the present editor Donald Trelford (another old Africa-hand). Tiny Rowland is compared with David Astor: "The former is an outsider trying to get in, the latter an insider trying to get out." And their paper: "The miracle of the Observer in the 1980s has continued to be that it makes no profits, has an arch-capitalist proprietor, yet generally manages to stay somewhere on the left." It is not surprising that the Sunday Times has recently been running extracts from this book.

Finally, to Harrods, which Tiny desires "like some explorer seeing before him at long last the source of the Nile." More helpfully, we are told that Harrods is to Tiny the most acceptable face of capitalism and that his long obsession with the store relates to the traumas of his youth. Yes, of course. But it would have been good to have been told much, much more about Lonrho. And about Tiny. Even if that would have meant less about Hall, the Observer, Trelford, et al.

J. D. F. Jones



Tanya and her mother—from the book reviewed below

Growing up minus Moura

A LITTLE OF ALL THESE: AN ESTONIAN CHILDHOOD
by Tanya Alexander. Jonathan Cape, £12.50, 168 pages

TWO FEATURES hold centre stage in Tanya Alexander's engaging memoir of growing up in Estonia, in its brief 20 years of independence between the two world wars. One is the house called Kallijärv, with its lake and surrounding woods deep in the Estonian countryside, in which she spent her childhood and early girlhood, and which she looks back on with such tenderness that it almost becomes a living being. The other is the larger-than-lifesize figure of her mother, the amazing, unpredictable, mythomanic Moura Budberg, by turns the mistress of Robert Bruce Lockhart, of Gorky and H. G. Wells, the indomitable survivor of an aristocratic generation wrecked and scattered by revolution and civil war.

The estate at Kallijärv, to which the children were hastily transferred from Petrograd after the October Revolution, was clearly an idyllic setting for childhood, but violence lurked not far away. Only a year later, their father, and Moura's husband, Ioann von Benckendorff, was murdered, presumably by a marauding peasant gang, and Tanya was four when they found his body on a path near the house.

Moura, meanwhile, had remained in Petrograd, and Tanya's portrait of her in those early years is made up of tentative brush-strokes—which is not surprising, since the children hardly saw her. But throughout her life, she remained something of a mystery, a mystery she herself carefully cultivated by encouraging the various contradictory legends that sprang up about her past. Moura's bewitching quality as a young woman emerges most clearly in a photograph of her with her first husband at the races in Berlin in 1913. But she also had less amiable qualities: she was self-centred and, as her friends discovered, could be ruthless in using people to her own ends.

Her daughter's assessment of her character sometimes seems unduly harsh, but she attributes her mother's cavalier behaviour largely to an early emotional upheaval. In the turmoil of the revolution, Moura had fallen deeply in love with the British agent, Bruce Lockhart, and they made plans to be reunited later in Stockholm. This was not to be: Bruce Lockhart married someone else, and Moura never fully recovered from the experience of being rejected.

Tanya Alexander's memoir is full of vivid portraits. There is Gorky, a compassionate giant among the Bolsheviks; there is H. G. Wells, who fell under Moura's spell, and went round complaining bitterly: "She will live with me, dine with me, sleep with me, but she won't marry me!"; and there are the comforting figures who surrounded Tanya at Kallijärv, her Irish governess Micky, Aunt Zoria, Uncle Sasha, inconsolable over the defeat of the Tsarist regime, a host of cousins and friends.

Even Baron Budberg, Moura's second husband, makes a brief appearance, which is appropriate enough: theirs had been a marriage of convenience to enable Moura to acquire Estonian citizenship. But in spite of a long-settled period in London after the war, Moura remained a nomad. After her 80th birthday, she decided to move to Italy, and died there only a few weeks later, on October 31, 1974.

Erik de Mauny

Robin Lane Fox on a controversial view of the assumptions behind Greek myth

Hero and horrors

HOMOSEXUALITY IN GREEK MYTH
by Bernard Sergent. The Athlone Press, £32.00, 344 pages

AGESILAOS
by Paul Cartledge. Duckworth, £39.50, 508 pages

ANCIENT GREECE continues to fascinate its many admirers: does it still elude them? Certainly, Greek culture was not a simple matter of philosophy and freedom, great art and the inspiration of classical Athens. In their different ways, these two highly priced books remind us how much in the ancient world is less accessible to us. Among most Greeks, there was a homosexual ethos, but it is particularly easy for our own age to misjudge it. For every six or more classical Athenians, there was also a classical Spartan, dwindling in numbers as the decades passed but almost as influential, in a distorted way, on European thought.

Bernard Sergent's book joins others which have recently explored the sexual assumptions of stories in Greek myth. It is an area in which rape is almost inexhaustible; there is incest, though not quite with the effects which Freud supposed; there is also copious homosexuality. Bernard Sergent is not so concerned to treat this homosexuality as an interesting presupposition of myths which are fictions. He wants to explain its historical origin, a most uncertain process. Very few of his deductions persuade me and in general, I must say that I believe next to nothing in his book. That view will not stop it from being read by the growing devotees of homosexual history, but it will be quite wrong if his persistent connections between homosexual legends and supposed initiation practices in places like Crete are taken as established, and thus become the first chapter in gay histories of civilisation.

Among homosexual societies, Sparta held a prominent place. Young male citizens were segregated from their families and lived communally from an early age: on her wedding-night, a Spartan bride is said to have worn a false beard, easing the change from her husband's years of homosexual love. Paul Cartledge's long and thorough history centres on the career of the most famous and effective Spartan king, Agesilaos, who ruled from 400-360 BC. He, too, emphasises the effect of the extended Spartan "initiation," or upbringing, which Agesilaos underwent, untypically for a future king. So far from "liberating" him, in Cartledge's view it blinkered him. It led to his narrow, partisan conduct of foreign affairs; it made him blind to the urgent need for liberal domestic reform; Agesilaos's Sparta terrorised Greece for 30 years and was the polar opposite of everything we admire in the achievement of classical Greece.

Cartledge is a Cambridge Fellow and a "Sparta-watcher" with nearly 20 years of research behind him. His book is the most massive study of a classical Greek figure since the last round of books on Alexander. It rests on enormous reading and a painstaking attention to detail. It deserves widespread respect. Outsiders, however, may not take so easily to the frequent quotations of names, dates and authorities, ancient and modern, in the text. They may also wonder how much is new, apart from a Marxist focus and a consistently dark view of the book's subject and society. I think it could have been shorter and I do feel Cartledge is not always fair to his anti-hero. Certainly, the most distinctive thesis in the book is simply that Agesilaos did not change from good to bad or vary at different times of his long life. We see him invading Asia, in anticipation of Alexander, fearing and opposing the might of Thebes, helping his friends in a decidedly narrow manner, failing to steer Sparta clear of the twin rocks of military defeat and social break-up and dying, in his eighties, as a foreign warrior assisting Egypt.

It is a panoramic career, best caught when this honest book joins straight narrative to deadpan humour and a compelling sense of disgust. To the Renaissance, Agesilaos seemed a true classical hero, lacking only physical beauty. Closer study of ancient history taught Europe otherwise: Cartledge's book is a monumental counter to any revival of the old, idealised view.

Divided country

GERMANY AND THE GERMANS
by John Ardagh. Hamish Hamilton, £12.95, 448 pages

THE GERMANS have remained fascinating, though these days (happily) less compellingly so, since they switched from being Europe's aggressor to one of its model democracies.

But, partly reflecting the grafting of extraordinary post-war material well-being on to a country still beset by the responsibility of having spawned Nazism, the subject is a difficult and uncomfortable one.

No people is so much the focus of cliché and mythology, so over- and under-rated, so little understood—both by its neighbours, and, even more important, by itself.

John Ardagh's thorough and eminently readable book is therefore of considerable service. Though concentrated on West Germany, it includes a long and lucid chapter on East Germany, underlying the shadow still sent over the German soul by the cleavage of Europe.

His book is particularly timely in view of a growing riddle over the way West Germany will use its rediscovered confidence and influence. The economic gap between Germany and the rest of Europe (especially ever-trailing Britain) has widened further in recent years. The new-generation Germans travel more, and play tennis better, than anyone else, and understandably want to have nothing more to do with war guilt.

But as a nation Germany lacks the drive and purpose which its economic rank might otherwise give it. This is leading to a kind of power vacuum in the centre of Europe which is already evident in some of the country's strains with the EEC and in the debate over defence and security within Nato.

This is not, however, a book primarily about politics. Instead, more interestingly, it is about people. Ardagh's strength is that—a Francophile Englishman—he arrives at his subject relatively fresh, has a remarkable capacity for observation and fieldwork, and writes concisely, informatively and without prejudice.

Following the pattern of his successful book-portraits of France, Ardagh has come up with a notable exercise in journalistic pointillism, building up a composite picture of today's Germany through interviews with hundreds of Germans ranging from men of letters to bishops to farmers, gastarbeiter and conscripts.

No feature of German life escapes. Tourists to Germany (if they can afford the experience) and specialists alike will find plenty to dip into Ardagh's lively accounts of everything from beer to the (falling) birth-rate. He is at his best when focussing on the Germans' tendency towards split personality—for instance, the contradictions between high economic growth and environmental protection propounded above all by the Green Movement.

Though this is not the strong-point of the book, Ardagh also delivers a capable analysis of where Germany is going. His conclusion—which he admits can sound a little patronising—is that the country has put firmly behind it past excesses, and that the Germans are more likeable, relaxed and less formal even than 10 years ago. But the polarisation between authoritarian traditions and the new anti-authoritarianism of the young could he suggests, still pose problems for the future.

For a country which so relishes examining its difficulties, a Germany without problems would of course be inconceivable, maybe even dangerous. But Ardagh at least cuts them down to size. The book will be well-read in Germany. Now, all that is needed—a sign that we really have got over the war—is for a German to write a similarly good book about Britain.

David Marsh

Warriors of the peace brigade

Justin Wintle on the way protestors try to prevent warfare

TROUBLESOME PEOPLE: ENEMIES OF WAR 1916-1986
by Caroline Moorehead. Hamish Hamilton, £14.95, 344 pages

LYTTON'S STRACHEY'S refusal to be conscripted in 1916 occasioned two famous anecdotes. Asked by a tribunal what he would do if a German soldier tried to rape his sister, he replied: "I would try to come between them." Then he met the challenge that it was surely his duty to defend his civilization with the assertion: "But I am British Civilisation!"

Significantly Caroline Moorehead, whose Troublesome People is an essentially anecdotal account of twentieth century pacifism, quotes only the first of these splendid stories. Her publishers call Ms Moorehead's book "persuasive and often moving." Often moving it is, persuasive it is not.

To be fair to the author, it is not immediately obvious that she wants to persuade anybody about anything. One of the themes of pacifism is that it should bear witness to the evil of warfare. In similar spirit Troublesome People bears witness to the many thousands of individuals who have sacrificed their social standing, their liberty, and sometimes their lives, to uphold the ideal of non-combatance.

Ms Moorehead's techniques however are exclusively those of the pre-investigative journalist. A chronological framework is fleshed out with cameo-portraits of individual objectors, individual protestors. In particular she seems obsessed with her subjects' hair. Where she can she furnishes information about the shape of beards, the colour and quality of moustaches. By contrast her sociology is amateur, her grasp of geopolitical realities non-existent.

Nonetheless it is a powerful story, particularly in its early stages.

Ms Moorehead begins precisely with the conscription act of 1916. Altogether there were 16,000 refusals, a medley of Quakers, Tolstoyans, socialists and vegetarians. Of these just over 6,000 were arrested, and just under 6,000 court-martialled. All were treated as pariahs, and increasingly the conditions of incarceration approximated to those of the labour camp.

Between the wars the peace movement proper got under way. A series of somewhat bizarre adventures, none more so than John Hargrave's Kibbo Kift, a sort of boy scouts and girl guides brigade with overtones of Robin Hood, eventually settled down into the Peace Pledge Union of the mid-1930s, led by the Rev Dick Shepherd. Mahatma Gandhi's 1931 visit to London, where he stayed at Kingsley Hall, was perhaps the high-point.

As a result of real public concern conscientious objectors in World War II got a much better deal. There were also more of them: Some 50,000 potential soldiers abstained from the fight against Hitler, or 0.5 per cent of those called up, against 0.126 per cent in WWI.

The postwar period has inevitably been dominated by anti-nuclear protests. Ms Moorehead rehearses the Aldermaston marches, and latterly Greenham Common, with some relish. It is when she tries to move outside these parameters however that she comes unstuck.

What is extraordinary about Troublesome People is that the word "liberalism" occurs not once. And this is the point of the second Strachey anecdote. Although the author is correct to emphasise the religious (i.e. Christian) origins of pacifism, her unwillingness to pursue pacifism into its ideological context (the sacrosanctity of the individual) blinds her to the issues involved. This makes her account of contemporary American pacifism, grounded in the civil rights movement and the protests over Vietnam, curiously lacking in dynamic. Worse, it leads her to misview modern Japanese pacifism. There the "peace boom" is orchestrated by Confucian, not liberal, values. It may be cynical to relate it to Japan's current project (economic expansion), but not to take this reading on board inhibits any useful understanding of the phenomenon.

Instead Ms Moorehead scampers back to home ground. Striving for a conclusion she quotes Bertrand Russell: "It is not enough to ban nuclear weapons . . . The thing you have to ban is war"—conceivably the most fatuous statement made by any leading philosopher.

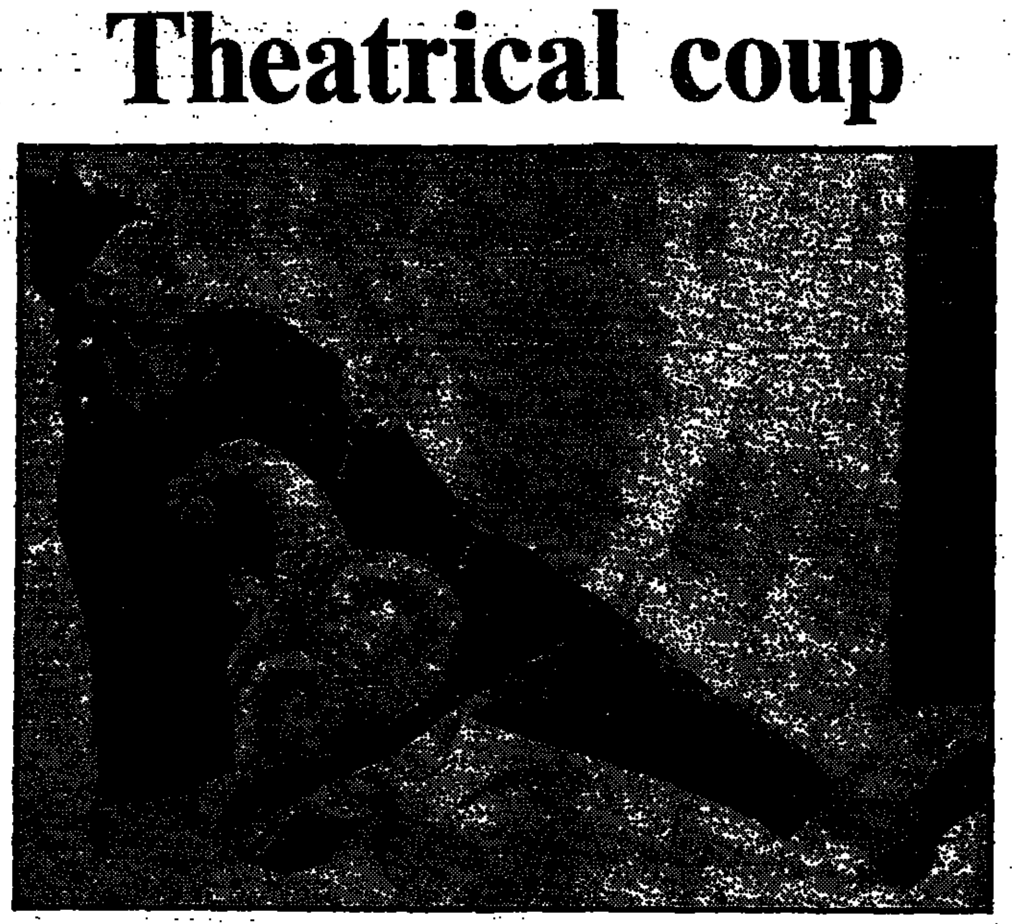
Of course some would argue that the most effective way of banning war is by holding on to nuclear weapons. The trouble with Troublesome People however is that such positions are not acknowledged. Ms Moorehead has dutifully interviewed scores of peace witnesses, but there is no suggestion that she has confronted any of them with the ambiguities of their position. The possibility that those behind the fence at Greenham Common may also be working for peace is never entertained.

Theatrical coup

The curtain rose yesterday, rather unsteadily, on the UK's first Theatre Museum. Its arrival in Covent Garden, some seventy years after it was first mooted, is about par for the course but at least it provides a timely envoi for Sir Roy Strong, retiring director of the Victoria & Albert, which has nurtured the concept since 1924.

Like Sir Roy the Museum is small, decorative and slightly flashy, with much hidden beneath a superficial carapace. Less than 10 per cent of the archive stands revealed, although there will be constant regeneration. The visitor reels, slightly punch drunk, from glass case devoted to music hall, to G & S, to magic, to circus, to rock, to dance, to RSC, to ENSA, to what you will. It is all rather like the small mammal house at London Zoo, a dark, sub-terranean environment in which to view the weird and the wonderful, caught in time. There is a maze of passages which occasionally when out into major exhibition spaces for costume displays or temporary shows—one will be shortly built around Sir John Geilgud.

Demands of space — the Theatre Museum is constructed beneath the Transport Museum — have dictated the rabbit-warren ambiance, but the designer, Anthony Holland, has effectively exploited the limitations by producing a spectacular entrance hall. Upstairs, at ground level, you enter through a fantasy world — confronted by the Angel of the Spirit of Gaiety, which once perched on top of the Gaiety Theatre in the Aldwych, but which now welcomes you to a cavernous strawberry mousse of a space with opportunities to eat and drink, to buy theatre tickets, and to be gazed upon by trompe d'oeil spectators. There is a great feeling of excitement, only slightly dampened as you descend the long ramp to the museum proper.



Leonide Massine as the Chinese Conjuror in "Parade" designed by Picasso for the Diaghilev Ballet

The glass cases are the heart of the show, but there is also an 80 seat theatre, mainly for educational use, and a rather grand salon, decorated with those wonderfully bad paintings of scenes from the shows, which were such a standby for late Victorian artists. This plush ambiance will be rented out for first night parties and to any organisation seeking a novel environment.

But the strength of the Museum, and what makes it such a welcome addition to London, is the variety of its contents, from the first, and presumably most accurate, portrait of Shakespeare, to Mick Jagger's stage cat suit. Here is Noel Coward's dressing gown and the sword Sybil Thorndike wielded as St Joan; there the dresses of the Beverley Sisters and the gloves of Sir Henry Irving. Of course there are posters and programmes and photographs by the hundred. Some of the effects work fitfully—like the toy set of *Charlie's Aunt*, showing the characters rushing round in the frenzy of farce. Others — the stars dressing room crammed with the pre-war tricks of the trade —hold the gaze for ages.

Sir Roy's presence is felt in the temporary display of costume designs for the court ballet of Louis XIII (dazzling for historians; rather space consuming for the masses); in the case devoted to his great enthusiasm, toy theatres; and in the first show in the main gallery, which includes recently donated stage outfits, including those of Tito Gobbi and Adam Ant.

Although there have been gifts in recent years to the Museum the acting profession has not rallied round with as much gusto as might have been anticipated. There is also a continuing problem about money. There is a modest estimate of 250,000 visitors a year, with adults paying £2.25p admission. If this is exceeded, as it should be, the Museum will not be a financial drain on the V and A. With luck it may produce some revenue, although its demands on the time and energies of so many departments back at the main museum will ensure that it is another service to the public rather than a profit making enterprise.

The hero of the hour is Mr Alexander Schouvaloff who has been curator of a thousand packing cases for thirteen years and who now has a permanent home for his boxes of tricks. And that is what the Theatre Museum is a kaleidoscope of images and memories, of tuppence coloured, penny plain, artifacts. There is little about the financial background to the theatre; much about its glamour and nostalgia. It catches the eye rather than the heart, which makes its final arrival in Covent Garden, the street theatre of the capital, so suitable.

Antony Thorncroft

Festspiele overture

With the Festival of German Arts starting in London next Monday, David Murray reports on the musical scene in Berlin

Mercedes Benz being about to blitz London with a Festival of German Arts—music above all, but also the Schaubühne company at the National Theatre, films, exhibitions and literary side-events—I agreed to go and see where some of it is coming from. Berlin celebrates its 750th anniversary this year, on an enthusiastic guess: the little neighbouring towns of Berlin and *Kölln* escaped widespread attention for many generations, and the heyday of the amalgamated *Hauptstadt* came only in the late 19th century. The notional birth-year has been fixed, it is said, simply by reference to Goebbels' decisions that 1937 was the city's seventh centennial.

In any case the result is that this year, the annual September "festival weeks" are just another component of *Berliner Festspiele* which run from next week until mid-November. The "opening cycle" is followed in May by a lot of theatre, in July and August by an event-filled City Festival, and (after the establishcl *Festwochen*) by a month of visits from extra-mural companies, theatrical and operatic and symphonic. Among many exhibitions, "750 Years of Architecture and Civic Building in Berlin" (already open) supplies remarkable evidence that a Hitler victory might have damaged the city even more than the bombings: the plans and models for Albert Speer's prospective rebuilding of Berlin as the Nazi *Weltstadt*, grandiose filmic Kitsch, presuppose the levelling of much of the centre.

Instead, Berlin has survived —despite great losses—as the collection of distinct *quartiers* it has long prided itself on being. As you pass from one borough to the next, the architecture instantly signals another spirit-of-place; in comparison, Munich and Cologne —not to mention Frankfurt and Düsseldorf—seem homogenised and rudely updated. Beyond the imperial relics of Prussian Berlin, there are whole streets of pungent, undiluted 1920s and '30s, and postwar insertions (German-modern or loyal American) take their places merely as new villages, however pushy.

The political *largesse* that West Berlin enjoys has not been wasted. The Schaubühne, the most heavily subsidised theatre in West Germany, has not only moved from the banks of the Halle to the mainline Kurfürstendamm, but realised the wildest Futurist ideals of flexible, cost-heedless staging (more about that next week); the Philhamonie concert-hall is a practical triumph, handsome and acoustically and user-friendly beyond any postwar musical venue that I know. It is the home of Karajan's Berlin Philharmonic, and the public platform of the Berlin Radio Symphony, both of which are to visit us in June.

I heard the Berlin Radio Symphony in the Philharmonie, with Vladimir Ashkenazy as conductor and solo pianist. It is an excellent orchestra, solidly alert and technically expert (woodwinds more imaginative than the plain, reliable brass); on June 6 their Wagner, under Horst Stein, can be heard in the Festival Hall. In Berlin they played Beethoven's Piano Concerto No 3 and the Strauss *Heldenleben* with Ashkenazy. He drew lively and exciting playing from them in Beethoven's first two movements, without cramping his own style; in the Finale, where the demands of the solo role and the conductor's really exceed what one performer can supply, too many orchestral cues were delivered as emphatic pokes from the piano. *Ein Heldenleben* boasted unusually lusty counterpoint along with some crude balance (brass swallowing strings) and slightly impatient treatment of Strauss's most sumptuously indulgent paragraphs.

At the Deutsche Oper I saw Busoni's *Doktor Faust*, in a version of David Pountney's ENO production of last year. As at the Philharmonie, the audience ranged frictionlessly from DJs and black-and-silver chic (very In in Berlin) to pullovers and leathers: what a difference Continental concern for student-access to culture makes! Unfortunately, the Berlin personnel made less of this "difficult" but fascinating opera than the ENO team did.

In detail there were few significant differences. Perhaps the clever Lazaridis set was cramped (the ENO CinemaScope stage is almost unique); the intermezzo business was less obscene, and I suspect that in German an English knees-up by Faust and Mephistopheles looks less blasphemous than just quaint. In vocal and musical terms, Kenneth Riegel's Mephisto was a match for the ENO's Graham Clark, but as a *persona* less magnetic and insidious — much as Lucy Peacock's Duchess of Parma, tartier in red leather than the ENO's Eilene Hannan, seemed also less hauntingly seductive. Berliners might react differently. The chorus goose-stepped as if badly out of practice, but we ought surely to be glad about that.

Two larger differences mattered. The ENO Faust was Thomas Allen, a true *Heldenbariton* who gave us the "rejuvenated" hero, and a plausible sketch of his long, noble lines toward the end (beyond the limits of a good singer's endurance). Berlin's Günter Reich is a seasoned character-singer, never plausibly romantic; he rose impressively to Faust's earlier declarations, with acute searching into the words, but at the end—where Busoni impossibly demands heroic breadth—he declined into barking. The conductor Christof Prick (yes, someone has told him: in America he appears as Mr Perick) had earlier applied his Wagnerian knacks to some purpose, but the last scene eluded his grasp altogether: it stammered away into senseless indecision, sealing the effect of a failed operatic experiment. In return for Berlin's gifts to London, I wish we were sending them Tom Allen and the conductor Mark Elder.

English pictures excel

Christies achieved some amazing prices for English pictures yesterday with a Gainsborough portrait of Lt-Col Jonathan Bullock fetching £1.1m, to the London dealers, Colnaghi. It was an auction record for the artist, and an extraordinary price for a fairly conventional 18th century portrait, which in 1892 Christie's sold for 500 guineas.

Equally surprising, and another record, was the £880,000 paid by another London dealer, Hazlitt Gooden Fox, for an attractive group portrait of Thomas Rosoman and his family, by John Zoffany. They are shown fishing on the Thames at Hampton. Rosoman ran Sadlers Wells in the mid-18th century.

London dealers were obviously stocking up for the June fairs, and Baskett & Day bought an atmospheric Joseph Wright and Derby, "Penelope unraveling her web" for £495,000. It was bought in 1784, from the artist, by Josiah Wedgwood for 100 guineas and then stayed in the family. It is a typical Joseph Wright in its brilliant use of shadow.

Antony Thorncroft

Poor man's rich draw

TODAY'S collectors of Old Master drawings may be property magnates, oil tycoons or have a good line in baby powder, but in the 17th and 18th centuries their predilection was the prerogative of kings (and queens), princes and prelates. Alongside the spectacular collections amassed in England by the likes of the Earl of Arundel and the Duke of Devonshire were those of Joseph Smith, the British Consul in Venice, (sold to George III) and a handful of artists. But perhaps the most unlikely collector of them all was a professional soldier of limited means, General John Guise, who on his death in 1765 left his entire collection of nearly 2,000 drawings and 300 paintings to his alma mater, Christ Church in Oxford.

Guise obviously intended his collection to be as representative of the Italian schools as possible. Italian drawings comprise over half the bequest, and few great names from the early Renaissance to the mid 18th century fail to appear. Christ Church Picture Gallery, opened in 1968, houses one of the finest but least known drawings collections in the country: despite the fact that exhibitions of drawings are always on display. Its latest offering, until next Monday, both honours its principal benefactor's distinguished military career and reveals his penchant for martial subjects.

The drawings show a variety of purpose, medium and inspiration within their common theme. Bandinelli's spirited battlescene and Agostino Carracci's *Lapith Fighting a Centaur*, both in the manner of Antique reliefs, express one facet of the Renaissance fascination with the Classical past. Another is Roman history, represented by a number of works including a brush and wash drawing of prisoners before a general, ascribed to Salviati. More recent campaigns are recorded by Rosselli, *Duke Cosimo II Reviewing his Troops*, a chalk compositional sketch for one of the frescoes illustrating Medicean history in the Villa Poggio Imperiale in Florence, and in Zuccaro's epic *Seige of Tunis*, a study for a Vatican fresco. The Bible, too, provides gruesome subject matter — Campagnola draws David cutting off the head of Goliath.

A squared Circignani drawing of an *Army Entering a Papal City* must interest military historians—soldiers scale the walls of a fortress with all the attendant paraphernalia—as would an elaborately detailed suit of armour. Martial motifs even find their way into decorative reliefs. Of the studies of single figures or Genre groups of soldiers, by far the most exquisite—and the earliest drawing in the collection—is a curiously Assyrian-looking archer, drawn in point of brush on vellum in the late 14th century by the Master of the Parement de Narbonne. This, it is only fair to add, is the collection's only great masterpiece included in the show.

"Soldiers on a Balcony" (detail) by Leonard Bramer

To his contemporaries Guise was as much a connoisseur as a soldier. Horace Walpole described him as "a very brave officer, but apt to Romance, and a great connoisseur of pictures," and Vertue records that he advised Frederick, Prince of Wales, on artistic matters. Guise's interest in Old Masters was in part antiquarian—he was a friend of the Oxford antiquary Thomas Hearne and his father, William Guise, was a celebrated Oriental scholar at All Souls. He, too, was a candidate for a fellowship.

While modern scholarship has reattributed a number of drawings to the hands of followers or pupils of the great masters, the collection—with its famous Leonardo head and sheets by Raphael and Michelangelo—remains exceptional. The drawings on show reflect the dual interests of this eccentric soldier-collector who had himself painted by Gavin Hamilton as a Roman general.

Susan Moore

Radio

Sold down the river

On the evening of Easter Saturday, Radio 4 gave us a programme called *Resurgam*. It was not about the Resurrection, but about the loss of an experimental submarine in 1880, and the life of its inventor, the Rev George Garrett. Garrett devoted more time to building submarines than he did to the Church. He sold a boat to the Royal Navy; a boat he built with the Swedish company Nordenfelt he sold to the Greeks, and at once sold a bigger one to the Turks, who made him a Commander in their navy. As Queen Victoria's chaplain said: "Every contribution made by science to improve the instruments of war makes war shorter," a principle that the Japanese at any rate know to be true. Garrett died in poverty in New York, and Nordenfelt went bankrupt. God moves in a mysterious way.

At an unsocial hour on Monday, Radio 4 provided *The Politics of Song*, a study by Peter Jukes of the French-Canadian playwright Michel Tremblay. Tremblay is as sensitive about being French-Canadian as the Welsh are about being Welsh. The Quebec French, he says, were forgotten for 250 years and are now "misfits" in Canadian society. He links this idea with his choice of transvestites to people his plays — "we are a transvestite people," he holds. One critic regards Tremblay as being the revolutionary equal of John Osborne. His work is almost unplayed over here, and I asked myself what was the object of introducing us to him if we were not to be treated to some of his work.

To turn from creators to creations: there were two outstanding plays this week. Radio 4's Monday Play, *The Wide-brimmed Hat* by Michael Wall and *Definitely the Bahamas* by Martin Crimp.

Mr Crimp is a constant award-winner, and *Definitely the Bahamas* won the 1986 Radio Times award for a new play. Its achievement is to have made compulsive listening out of the conversation of Frank and Millie, two middle-class, middle-aged bores (Norman Bird and Rosemary Leach) discussing family recollections. (There are even holiday snaps.) Now and then they mention their yuppie son Michael, his wife and his girl-friends; and then, in a solo passage as powerful as a hand-grenade, Marijka the Dutch au pair (Holly de Jong) tells in her flat voice her own experience as one of Michael's girls. When she goes, followed as usual by one of Millie's complaints about her manners, the two older people resume their talk as if they had heard nothing. The artistic creation of tedium can be as exciting as the creation of the vivider emotions. John Tydeman was the director.

The Wide-brimmed Hat told of the wooing by minor pre-Raphaelite Charles Catchpole of the revolutionary Italian Nationalist Princess Melvezzi in Austrian-occupied Venice, a wooing interrupted by the Princess's attempt to assassinate Marshal Radetzky. Convincing background detail was discreetly slipped in (Ruskin and his Effie are minor characters) and Jeremy Mortimer's production, rich in well-chosen sound and well-varied acoustic, painted a fine Venetian picture. Edward Petherbridge and Eleanor Bron played Catchpole and the Princess.

B. A. Young

Records

Compacted Mahler

Symphony No. 1: Maazel/Vienna Philharmonic. CBS MK 42141
No. 2, "Resurrection": Plowright, Fassbaender, Sinopoli/Philharmonia. With Lieder eines fahrenden Gesellen (Fassbaender) and 6 frühe Lieder (Weikl). DG 415 959-2 (two discs)
No. 3: Killebrew, choirs, Bertini/Cologne Radio Symphony. EMI CDS 7 47568 8 (two discs)
No. 5: Levine / Philadelphia Orchestra. RCA RD 89570
No. 8, "Symphony of a Thousand": Arroyo, Spoorenberg, Mathis, Hamari, Procter, Grobe, Fischer-Dieskau, Crass, Kubelik/Bavarian Radio Symphony. DG 419 433-2
No. 8: Connell: Wiens, Lott, Schmidt, Denize, Versalle, Hynninen, Sotin, Tennstedt/London Philharmonic. EMI CDS 7 47625 8 (two discs)
No. 9: Bernstein / Amsterdam Concertgebouw DG 419 208-2 (two discs)
No. 7, 9 and 10 (Adagio only): Bernstein / New York Philharmonic. CBS M3K 42200 (three discs)

This is a round-up of most of the Mahler symphonies that have appeared on compact discs in the past few months. Comments necessarily brief; apologies, for some of these performances deserve much longer discussion. Most exist in cassette and black disc versions too; Kubelik's 8th and the Bernstein three-symphony collection are transfers from pre-digital tapes, and lack the phenomenal depth and clarity of the best up-to-date CDs.

Lorin Maazel's account of the First Symphony with the Vienna Philharmonic glows with intelligence and feeling, and is beautifully recorded. This is a symphony that positively gains, sometimes, from more raucous presentation; it is remarkable how well the points in question are accommodated in Maazel's always elegant treatment. He adds delectably slithy string-portamenti to the Trio, and the Scherzo proper, if hardly rustic, has a fine snap and bite. Maazel's long-range control of the Finale, cogently gripping, more than compensates for the loss of a certain wildness.

As recorded, the orchestral balance in the Philharmonia's "Resurrection" Symphony surpasses by a long way anything I've heard Giuseppe Sinopoli achieve in the concert hall with large forces. If the string-writing is sometimes left under-phrased, the solo winds are excellent, and there are no serious quibbles about the middle instrumental movements. The opening "Totenfeier" is full of strident climaxes that make me recoil, and there is a cold deliberation about the Finale which robs it of any communal joyousness, though there is grandiosity aplenty. Neither of those movements proceeds with the dramatic conviction that seasoned Mahler-conductors find in them: there is honest care (and adequate soloists, and the excellent Philharmonia Chorus) but not the *lange Atem*, the "long breath" to sustain the great lyrical periods.

The two discs are decently filled up with the *Fahrenden Gesellen* cycle (Brigitte Fassbaender lean and a bit impatient) and over-rich orchestral versions by Harold Byrns of six early songs (the baritone Bernd Weikl is committedly lachrymose). Gary Bertini's performance of the Third Symphony takes two discs to itself, not unreasonably. It gets scrupulous interpretation, with the Cologne Radio Symphony displaying real virtuosity in the quick music. There is a little too much good taste: "Summer marches in" (the opening movement) with panache but not the force of overwhelming nature, the Adagio finale doesn't wring the withers, and where Mahler actually specifies "Grob!" (coarse!) in the Scherzo the Cologne sound remains impeccably well-groomed.

That said, one should allow that the more-than-merely-musical impact of the ideal Third is perhaps something for the concert hall. In strictly musical terms the Bertini reading is distinguished, subtle and rewarding. Similar praise is due to James Levine's Fifth with the Philadelphia Orchestra, one of his most impressive recordings. He combines enormous delicacy about details with a sterling grasp of whole movements: in particular, he discloses a rich variety in the Rondo-Finale that just about rescues it from "problem" status. For once, its expansive jauntiness doesn't seem lightweight after the earlier stressful desperation. No doubt it helps that the "Trauermarsch" at the start is an ounce or two short of weighty doom.

The 73 minutes of Levine's Fifth fit a single disc, like the reissued Kubelik Eighth (75 minutes) but not the new Tennstedt one (83 minutes). For Kubelik the all-important voices are kept in the foreground, where Tennstedt's—especially the men—are sometimes unflatteringly submerged in the orchestra, and Kubelik's sturdy ease with the "Veni Creator Spiritus" matches Tennstedt's (neither rises to the coda as thrillingly as the 1976 Bernstein). But Tennstedt is awarded opulent overall sound; and he triumphs with the Faust movement, where his unbridled sensitivity—and well-chosen soloists—raise that huge, dicey construction to irresistible emotional power. It is an experience.

So is the new Bernstein Ninth, a "live" performance from the Concertgebouw which also takes two discs for its 89 minutes (his reissued NY Philharmonic Ninth, 80 minutes long, shares three discs with his much-admired Seventh and the Adagio of the unfinished Tenth)—but many British ears will find it blench-making. Bernstein's identification with the music is complete and shameless. Amid the flow of sympathetic insights, neither his slightly palsied gait in the Andante comodo nor his rhetorical brakings there and in the *Ländler* movement hurt much, and the Rondo-Burlesake has superlative drive. The Amsterdam players, unlike the NYP of 20 years ago, have Mahler in their bones. The culminating Adagio, however, brandishes its *molto vibrato* heart on its sleeve. You may succumb in floods of tears, or then again you may just curl up.

David Murray

Chess No. 668

1 Q-K5 (threat 2 Q-B6 ch, K-Q2; 3 N-B8 mate), N-Q2; 2 Q-R8! RxB; 3 P-B6 ch, K-Q1; 4 QxB ch, KxQ; 5 R-B8 mate.

WEEKEND FT

• SPORT •

Time to hit clear of the cricketing trap

Euphoria has followed England's Test series victory over Australia but Philip Coggan warns of the immediate problems facing the game here

UNCORK the champagne and unfurl the umbrella—the cricket season is here again. There is just time to lace your boots, oil your bat, and throw your white socks against the wall (if they stick, they need washing) before striding confidently on to the field for your first game.

Over the winter, a dramatic transformation has occurred. England's cricketers—perceived as a drunken band of lecherous no-hopers—have become "our brave lads" once more. Not only did they retain the Ashes, but they also won every other competition dreamed up, including the four-nation tournament in Sharjah.

God, in other words, is in His heaven and all is right with the world. Everyone seems to have forgotten that during the past 18 months England were beaten five-nil by the West Indies and then lost at home to India and New Zealand.

Of course, the fortunes of cricketing countries must inevitably wax and wane but the glib assumption that the replacement as capitain of the languid Gower by the gamesmasterish Gatting has solved England's cricketing problems must, at least, be open to question.

The winter gave a hint that the decade of West Indies domination might be coming to an end. The relentless barrage of pace, pace, pace seems to have damaged the development of the West Indies' own batsmen and there may be a large gap to fill when Haynes, Greenidge, Richards et al hang up their bats for good. And although the new West Indies fast bowlers are as quick as ever, they perhaps lack the control and variety of previous maestros like Holding, Roberts and Garner.

Spin is coming back into fashion. It is significant that Emburey, Matthews and Taylor were among the most accurate one-day bowlers last winter; but on that same note, there is a worrying dearth of potential English successors to Emburey and Edmonds. Perhaps the shift towards uncovered wickets will throw up some Locks and Lakers this season.

Last summer showed that the new-style English batting, while capable of murdering a modest attack, retained the old-fashioned vice of collapsing if faced with accurate bowling backed up with movement off the pitch. Gooch, Lamb and Botham, for instance, have each developed styles which sacrifice many of the traditional rules about stance and foot movement in favour of a greater freedom to use their undoubted power. The result is both more exhilirating and more fragile.

Of course, the trends of the past 20 years have worked against the development of the technically perfect style, a la Boycott, or what might be called the classical style, like Cowdrey or Graveney, in favour of a more bludgeoning technique.

One-day cricket not only demands fast scoring, it demands it against defensive fields. The lack of slips means that risky shots are less often punished. Indeed, the more risky a shot the more likely it is to penetrate a conventionally placed field. At the same time, the prevalence of fast bowling has reduced the number of overs and increased the required run rate in conventional games.

West Indies fast bowlers have been successful by bowling continually short of a length at both ends. The classic shot of a Cowdrey or Graveney was a cover-driven half volley but a modern batsman might wait for ever for such a delivery. So players like Gooch and Botham have been forced

The grass-roots of cricket are withering because few school teachers are willing to make an effort

to become masters of the art of driving on the up. That inevitably makes them more vulnerable to bowlers who can move the ball off a length.

However, it is not England's batting that is the main worry this season. Of our bowlers, only Emburey would make a World XI and then perhaps only if it was a one day match. He has rarely run although a Test side and his partner Edmonds has been scarcely more penetrating. The fast bowling depends on the injury-prone Dilley, given that de Freitas is still learning, and Botham's glory days come at longer and longer intervals. It will be interesting to see how often this summer England can bowl out Pakistan twice in a match.

Cricket is, of course, dominated by larger issues than just the fortunes of our national team. The most immediate question is this year's World Cup, which might be disrupted by yet another dispute over English players with South African connections.

The moral arguments are well enough known to need no repeating here. On the purely sporting level, however, the issue is clear-cut. India and Pakistan must accept our team as selected. No game could survive for long if a team was effectively chosen by its opponents — however useful a tactic it might have been in the past. If only we had thought of it before. "Sorry, Mr Bradman, you cannot bat — we disapprove of Australia's treatment of the Aborigines."

The danger that cricket might split into a worldwide apartheid system — with England, Australia and New Zealand in one group and the West Indies, India, Pakistan and Sri Lanka in another — has been present for several years now. Some statesmanlike negotiation is needed to prevent the World Cup from providing the excuse.

But cricket's problems do not belong exclusively to the world of high politics. Some are much closer to home. The most disturbing of all is the apparent deterioration of cricket in all but the most privileged schools. The recent teachers' dispute has highlighted the extent to which games activities need the participation of enthusiastic but unrewarded tutors. At my grammar school, for instance, our games depended on a master who drove the minibus, umpired on wet afternoons, and cooled the ardour of petulant fast bowlers.

Few state school teachers are prepared to put in the effort nowadays. Unlike football, cricketing skills cannot be picked up from a knockaround in the local park — a certain amount of coaching is necessary for even the most naturally gifted players.

So, it may well be that Mike Gatting, comprehensive schoolboy and England captain, will be the last of his breed and that the future will lie with the Ponsonby-Smythes from Eton and Harrow, among the few places where children will get the chance to be properly coached. It is a depressing future for a game which once could boast "Whistle down a pit and you'll find a fast bowler."

If the grass roots of cricket are withering, what about the balance sheet? Soccer has spent the last season slowly coming to terms with its underlying problems. The ease with which a property company, Marler Estates, was able to buy Queen's Park Rangers and then threaten to redevelop Craven Cottage (home of Fulham) finally awoke football's authorities to the immutable laws of finance. Years of falling gates, rising wages and increasing property prices came home to roost.

Cricket has always been slower than football to accept the ethos of professionalism, but the past decade has shown many of the same trends that led soccer to its current plight. What Jimmy Hill did for football by abolishing the maximum wage in the early 1960s, Tony Greig and Kerry Packer did for cricket in the late 1970s.

That same Packer revolution encouraged the free movement of players between counties. It was hardly surprising. Apart from Yorkshire, few counties retain a sense of regional identity — several do not exist on any but cricketing maps. The counties, with their frequent hiring and firing of overseas stars, are as much to blame as the players for this diminished sense of loyalty — as the Somerset affair well illustrated.

In any case, a top player like Botham might miss more than half his county's season because of Test calls and one-day internationals. Botham himself wrote recently that "international cricketers will lead a separate life from the treadmill of the county game."

If the treadmill is not all that appealing to players, it has proved even less so to spectators. Long-term attendance figures show a football-style decline in crowds. Almost 2m people watched the County Championship in 1950; by 1985, that was down to 160,000. Those figures, of course, reflect a shift away from the three-day game to the one-day bunfights so despised by the purists but even there it would be wrong for administrators to be over-confident about their hold on the public's affections.

In the first year of the John Player League, the 40-over Sunday competition formed in 1969, attendances were 280,000, with the peak year 1975, when

How long will it be before the first pitch invasion because of a bad umpiring decision?

over 374,000 spectators were attracted. But by 1985 this was down to just under 134,000. Even adding the NatWest Trophy and the Benson and Hedges Cup, total attendances were 500,000 that year, a quarter of the 1950 figure.

Test match attendances have held up pretty well but comparing the 1985 Ashes Tests with the winning series of 1977, crowds at every ground were lower in the latter year. One-day Tests are still popular but there must surely come a point when the proliferation of these contests ushers in the law of diminishing returns.

England have already played in three different one-day competitions this year—and there are more one-day games against Pakistan, and the World Cup this winter (if we get there) to come. If it is Tuesday, it must be New Zealand, is not the kind of itinerary that generates excitement in either players or spectators.

Nor can cricket feel itself above the kind of crowd incidents that have sullied the reputation of football for so long. Soccer-style behaviour is not confined to chants of "Here we go" or "There's only one Ian Botham."

Last season, a friend of mine, five months pregnant, went to watch a one-day county match. Unfortunately, she and her husband happened to sit in front of a gang of men who, bolstered by alcohol, thought it hilarious to spend the entire day heckling and name-calling. It got so much that she asked them to be quiet. Sadly, this only increased the level of abuse, most of which became aimed at her, so the couple left their seats to look for a quieter part of the ground.

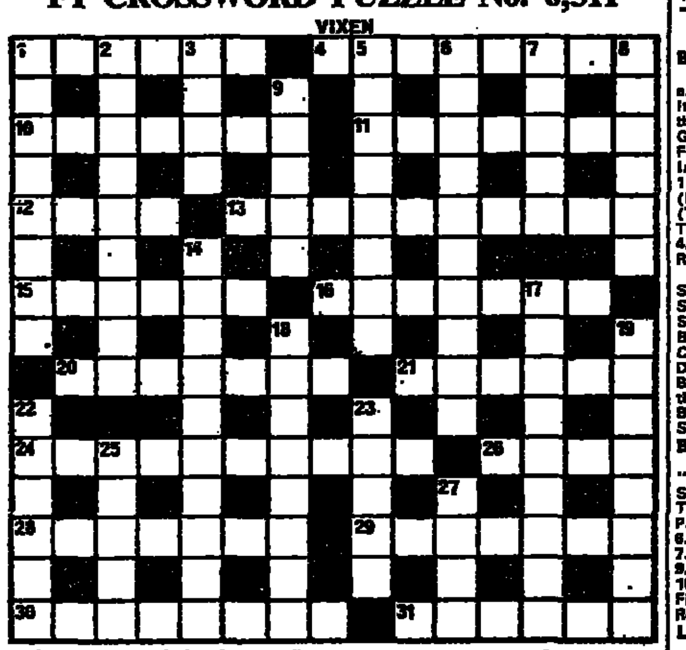
But to their alarm the men followed them round the ground and to cap it all, one ran up and threw his pint of beer all over her. One can only speculate as to the pyschology of a cretin who thinks it brave to assault a pregnant woman. But the incident illustrates the danger of placing large numbers of men in a confined space with access to limitless quantities of alcohol.

Already, like football, there have been many cases of racist abuse against black players. How long will it be before the first fights in the crowd—the first pitch invasion against a bad umpiring decision? How long before families decide that a cricket match is not a safe place to visit?

Cricket has been pronounced dead too many times before to intone the last rites. But despite the winter's successes for England, the patient is definitely sickening—let us examine the illnesses and discuss the remedies before it is too late.

FT CROSSWORD PUZZLE No. 6,311

VIXEN



Prizes of £10 each for the first five correct solutions opened. Solutions, to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

ACROSS

1 One may well approach him with some affection (6)
4 A criminal who takes chumps in (8)
10 The politician rates on in a frenzy (7)
11 A beak's platform (7)
12 An old writer is in general well provided for (4)
13 A craftsman weaving mats no-one's seen (10)
15 The draught with sickening effects (6)
16 A Welshman say about 50 is a man of music (7)
20 Renegades turned communist took the lead (7)
21 Points for discussion as time and resolution allows (6)
24 New entitlement for agricultural concern after beastly takeover (6, 4)
26 Decree a quarter must be green (4)
28 One in support is to lay the groundwork (7)
29 Wine produced by certain militant people (7)
30 Uses rare broadcast to restore confidence (8)
31 Sound instrumentalists—and that's not to be tolerated! (6)
17 The Oriental copper was a model one, and raised no emotion (9)
18 Refits are safer for the sailor (8)
19 Profit mentioned, though it's denied (8)
22 Humour the salesman drawing back (6)
23 To make oneself look good—conventional—quiet (5)
25 Faulty concepts of the party presented in Italian and British articles (5)
27 Dream a little beside a river (4)

DOWN

1 Finished after record find (8)
2 Well-pleased about popular moderate (9)
3 A German races in circles (4)
5 The good man phoned with some hesitation—he's not at all familiar (8)
6 The company blames sage management (10)
7 School-head remains to arrange classes (5)
8 Harry encompasses many in calling (6)
9 About to assess the value of the box (5)
14 They must watch their language! (3-7)

Solution to Puzzle No. 6,310

SOLUTION AND WINNERS OF PUZZLE NO. 6,306

Mr N. Elbercht, Denmark Hill, London, SE5; Mr P. A. Eve, Reading; Mrs W. S. Reynolds, Edinburgh; Mr Ian D. Thomson, Clitheroe; Mrs G. W. Wallis, Chesterfield.

TELEVISION AND RADIO

SATURDAY

† indicates programme in black and white

BBC 1

8.30 am Superted. 8.35 Dogtanian and the Three Muskehounds. 9.00 It's Wicked! 11.00 Film: "Brother of the Wind." 12.27 pm Weather. 12.30 Grandstand including 12.35 Football Focus; 12.45 Rallying (The 'Circuit of Ireland Rally): 1.00 News Summary: 1.05 Snooker; 2.00 Table Tennis (England v China): 2.30 Ice Hockey (The Heineken League); 3.30 Table Tennis; 3.50 Half-times; 4.00 Snooker; 4.35 Final Score. 5.05 News. 5.15 Regional programmes.

5.20 Oliver Twist. 5.50 Perfect Strangers. 6.15 The Little and Large Show. 6.50 One By One. 7.40 Bob Says Opportunity Knocks. 8.30 Bergerac. 9.25 News and Sport. 9.40 *Championship Boxing from Belfast:* Dave "Boy" McAuley (Larne), the British Flyweight champion, challenges the holder of the WBA title, Fidel Bassa (Colombia): Snooker from Sheffield.

BBC 2

1.55 pm Chess Classic. 2.25 Film: "Come Next Spring," starring Anne Sheridan and Steve Cochran. 3.55 The Sky At Night. 4.40 The World Professional Snooker Championship. 6.35 When In Spain. 7.00 Newsview. 7.40 Verdi Season. 8.10 Snooker. 9.25 A Dorothy L. Sayers Mystery. 10.20 Did You See . . .? 11.05-1.30 am Film "Lady Sings The Blues" (Diana Ross stars).

LONDON

6.55 am TV-am Breakfast Programme. 9.25 Get Fresh. 9.55 "Professor Poopsnaggle's Steam Zeppelin." 11.30 BMX Beat Final. 12.00 News. 12.05 pm Saint and Greavsie. 12.30 Wrestling. 1.20 "William the Conqueror," starring Herve Bellon. 4.45 Results Service.

5.00 News. 5.05 The Grumbleweeds Show. 5.35 A.L.F. 6.05 The A-Team. 7.00 The Birthday Show. 7.45 The Price is Right. 8.45 News and Sport. 9.00 C.A.T.S. Eyes. 10.00 Parkinson One-to-One with Ian Botham. 10.45 *LWT News Headlines followed by The Big Match.* 11.45 "The Amityville Horror," starring James Brolin.

CHANNEL 4

9.25 am Pets in Particular. 9.50 4 What It's Worth. 10.20 The Living Body. 10.45 The World—A Television History. 11.15 The Life and Times of Lord Mountbatten. 12.15 pm Iseura the Slave Girl. †12.55 "Fame is The Spur" (Michael Redgrave stars with Rosamund John). 3.00 Channel 4 Racing from Sandown Park. 5.05 Brookside Omnibus. 6.00 Right To Reply. 6.30 Challenge to Sport.

7.00 News Summary followed by The Gods of War. 7.30 A Car For Africa. 8.30 The Wine Programme. 9.00 Lost Belongings. 10.00 "Secret Ceremony" (Elizabeth Taylor and Mia Farrow star). 12.00 Don't Miss Wax. 12.50-2.30 am "Gimme Shelter."

S4C WALES

10.45 am Who Are The Debolts? 11.45 What The Papers Say. 12.00 The Making of Britain. 12.30 pm A Passage to Britain. †1.00 Scales of Justice. †1.30 Feature Film: "Bright Ligts." 3.00 Racing from Sandown Park. 5.00 Odyssey. 6.00 Right To Reply. 6.30 Challenge to Sport. 7.00 The March of Time. 7.30 *Newyddion.* 7.50 *Cymar Pwy?* 8.20 Elinor Ac Ersill. 9.05 Y Maes Chwarae. 10.25 Sloe Siared III. 10.40 E.R. 11.10 Feature Film: "Goodbye Columbus." stars Richard Benjamin.

IBA Regions as London except at the following times:—

ANGLIA

12.55 am Paraguayan Praise.

BORDER

1.20 pm Boxing: Scotland v Ireland. 2.15 Rally Cross. 12.45 Film: "The Spy Who Came in From the Cold," starring Richard Burton, Claire Bloom and Oskar Werner.

CENTRAL

1.20 pm Star Fleet. 1.50 The Incredible Hulk. 2.45 "The Spy Who Came In From the Cold," starring Richard Burton, Claire Bloom and Oskar Werner. 5.05 The A-Team. 6.00 Alf. 6.35 The Grumbleweed's Show. 10.45 Prisoner Cell Block H. 1.55 am Codename: Wild Geese, starring Lewis Collins, Lee Van Cleef, Ernest Borgnine and Klaus Kinskki. 3.45 Central News Closedown followed by Central Jobfinder '87.

CHANNEL

11.59 am Today's Weather. 12.55 am Neil Sedaka—Portrait of a Legend.

GRAMPIAN

1.20 pm Boxing—Scotland v Ireland. 2.15 Feature Film: "Custer of the West," starring Robert Shaw, Mary Ure and Robert Ryan. 10.45 Feature Film: "The Amityville Horror," starring James Brolin, Margot Kidder, Rod Steiger and Don Stroud. 12.55 am Reflections.

GRANADA

1.20 pm *U.F.O.* 2.20 Porky Pig. 2.25 Easy Street. 2.55 "The Count of Monte Cristo. 5.05 A.L.F. 5.35 The A-Team. 6.30 The Grumbleweeds Show.

HTV

11.57 am HTV News.

SCOTTISH

1.20 pm Boxing: Scotland v Ireland. 2.15 Rally Cross. 2.45 Feature Film: "The Amityville Horror," starring Rod Steiger. 2.55 am Late Call.

TSW

11.57 am TSW News. 1.20 pm Tightlines. 1.35 The Champions. 2.35 The Saturday Matinee: "Gold," starring Roger Moore and Susannah York. 5.05 Newsport. 5.10 Knight Rider. 5.35 The Grumbleweeds Show. 6.05 Blockbusters. 6.35 A.L.F. 12.55 am Postscript.

TVS

11.57 am TVS Weather. 10.45 pm "The Amityville Horror," starring James Brolin and Margot Kidder. 12.55 am Portrait of a Legend (Neil Sadaka). 1.20 Company.

TYNE TEES

5.05 pm A.L.F. 5.35 The A-Team. 6.30 The Grumbleweeds Show. 10.45 "The Amityville Horror," starring James Brolin, Margot Kidder and Rod Steiger. 12.55 am Poetry of the People.

ULSTER

6.30 pm Feature Film: "The Naked Jungle," starring Charlton Heston and Eleanor Parker. 8.10 Ulster News. 8.15 Airwolf. 9.15 Party with the Rovers. 9.40 Feature film: "House of Wax," with Vincent Price, Phyllis Kirk and Caroline Jones. 11.05 Ulster News.

YORKSHIRE

5.05 pm A.L.F. 5.35 The A-Team. 6.30 The Grumbleweeds Show. 10.45 "The Amityville Horror" starring James Brolin, Margot Kidder, Rod Steiger and Don Stroud. 12.55 am The Saturday Late Film: "The Gambler" starring James Caan and Lauren Hutton. 2.55 Jobfinder.

Stereo on VHF

BBC RADIO 2

8.05 am David Jacobs. 10.00 Sounds of the 60s. 11.00 Album Time. 1.00 pm The News Huddlines. 1.30 Sport on 2, including Football; Racing from Sandown Park; Cricket (opening day of The Britannic Assurance County Championship); Snooker (The Embassy World Championship); Boxing, preview 5.00 Sports Report. 6.00 Pop Score. 6.30 Huddwinks. 7.00 The Press Gang. 7.30 A Gilbert and Sullivan Festival. 9.30 String Sound. 9.40 Big Fight Special. 10.45 Martin Kelner (Joining VHF). 12.05 am Night Owls with David Gelly. 1.00 Steve Madden presents "Nightride." 3.00-4.00 A Little Night Music.

BBC RADIO 3

7.00 am News. 7.05 Aubade. (8.00 World Service News.) 9.00 News. 9.05 Record Review. 10.15 Stereo *Release.* 11.15 Young *Dutch Musicians.* 11.45 Robert Mayer Concert. 1.00 pm News. 1.05 Early String Quartet. 2.00 Moscheles and Hindemith: Sonatas for flute and piano. 2.45 My Childhood (Michael Deacon reads from Nielsen's memoirs). 3.00 Haydn (Symphony No. 30). Nielsen (Symphony No. 3. with Miriam Bowen (soprano) and David Wilson Johnson (baritone). 4.00 Liszt. 5.00 Jazz Record Requests. 5.45 Critics' Forum. 6.35 Eugene *Sarbu and Gordon Back.* 7.30 "La Iatti in a performance by London Giuditta," oratorio by Alessandro Scarlatti. Baroque, direct from St Giles' Church, Cripplegate, London (Part 1). 8.15 Debits and Credits. 8.35 "La Giuditta" (Part 2). 9.20 The Ballad Thinker. 10.05 BBC Scottish Symphony Orchestra: Sibelius (Symphony No. 3) and Stravinsky (Firebird Suite, 1945 version). 11.10 Another Word (music played by the Gambian National Ensemble. 11.57-12.00 News.

BBC RADIO 4

7.00 am Today. 9.00 News. 9.05 Sport on 4. 9.30 Breakaway. 10.00 News; Loose Ends with Ned Sherrin and guests. 11.00 The Week in Westminster. 11.25 From Our Own Correspondent. 11.55 The Weekend *On 4.* 12.00 *News; Money Box.* 12.27 pm Just A Minute! 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News: Alistair Cooke's American Collection. 2.30 The Afternoon Play (S). 4.00 News; International Assignment. 4.30 Science Now.

5.00 The Living World. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 *Weather; Travel.* 6.00 News; Sports round-up. 6.25 Stop The Week with Robert Robinson (S). 7.00 Saturday Night Theatre (S). 8.30 Baker's Dozen (S). 9.30 Thriller! 9.50 Ten to Ten (S). 9.58 Weather. 10.00 News. 10.15 The Saturday Feature (S). 10.45 The Best Day of Your Life? 11.00 Nineteen Ninety Eight (S). 11.30 Unnatural Acts (S). 12.00-12.15 am News.

SUNDAY

† Indicates programme in black and white

BBC 1

8.55 am Play School. 9.15 Articles of Faith. 9.30 This Is The Day. 10.00 Asian Magazine. 10.30 Micro File. 10.55 Two Nations? 11.20 You In Mind. 11.30 The Goode Kitchen. 11.45 Politics of Pressure. 12.10 pm See Hear. 12.35 Farming.

1.00 This Week Next Week. 2.00 Eastenders. 3.00 Film: "Last Train From Gun Hill," starring Kirk Douglas. *4.30 Eurovision Song Contest Previews.* 5.10 The Duke's Award. 5.50 The Animals Roadshow. 6.25 News. 6.40 Songs of Praise. 7.15 The Russ Abbot Show. 7.45 The District Nurse. 8.35 Mastermind. 9.05 News. 9.20 Yes Minister. 10.20 When I Get To Heaven. 10.55 Video Active. 11.20 A Toast to the Trams.

BBC 2

1.55 pm *Rugby Special.* 2.45 *Sunday* Grandstand, including Ice Hockey and Snooker. 6.40 The Money Programme. 7.15 On The House. 7.45 Verdi Season: "Nabucco". (simultaneous broadcast on BBC2 and Radio 3). 10.15-12.35 am Snooker.

LONDON

6.55 am TV-am Breakfast Programme. 9.25 Wake Up London. 9.30 Disney's Adventures of the Gummi Bears. 10.00 Get Fresh. 10.30 The Adventures of Black Beauty. 11.00 Morning Worship. 12.00 Weekend World. 1.00 pm Police 5. 1.15 The Smurfs. 1.30 Link. 2.00 Revelations. 2.30 LWT News Headlines followed by "The Amazing Mr Blunden," starring Laurence Naismith, Lynne Frederick and Diana Dors.

4.30 Supergran. 5.00 Show Me. 5.30 Hart to Hart. 6.30 News. 6.40 Highway. 7.15 Catchphrase. 7.45 Live From The Palladium. 8.45 News. 9.00 Scoop. 11.15 LWT News Headlines followed by Cutter to Houston. 12.10 am American Documentary.

CHANNEL 4

9.25 am Sunday East. 10.00 The World This Week. 11.00 Superchamps. 11.30 Worzel Gummidge. 12.00 The Tube. 2.00 pm Rebecca. 2.30 "Samson and Delilah." starring Victor Mature and Hedy Lamarr.

†4.50 The Specialist. 5.15 News Summary followed by Change of Owner. 6.00 International Gymnastics: Vitalite Champions All. 7.15 The World At War. 8.15 Dance on 4 presents Dance-lines. 9.30 The Hebrew Lesson. 10.00 "Song Without End," starring Dirk Bogarde.

S4C WALES

9.00 am Hafoc. 10.00 The World This Week. 11.00 Superchamps. 11.30 Worzel Gummidge. 12.00 The Tube. 2.00 pm Feature Film: "I'll See You In My Dreams." 4.00 Horses. 5.00 A Car For Africa. 6.00 International Gymnastics: Vatalite Champions All. 7.20 Newyddion. 7.30 Cais Am Gan. 8.00 Pobol Y Cwm. 8.30 Dechrau Canu, Dechrau Canmol. 9.00 Plu Chwithig. 9.35 Dyddiau Dyn. 10.25 Snwcer. 11.05 Feature Film: "The Swimmer" starring Burt Lancaster (1968).

IBA Regions as London except at the following times:

ANGLIA

9.25 am Cartoon. 1.00 pm Anything Goes. 1.25 Weather Trends. 1.30 Farming Diary. 2.30 Sunday Cinema: "North to Alaska" starring John Wayne and Stewart Granger. 11.15 The New Avengers (rpt). 12.15 am Rock of the Seventies. 12.55 He is Risen.

BORDER

9.25 am Border Diary. 1.00 pm Farming Outlook. 2.30 Matinee: "Scaramouche" starring Stewart Granger, Eleanor Parker, Mel Ferrer and Janet Leigh. 5.30 The Fall Guy. 11.15 Women's Guild Service.

CENTRAL

9.25 am Max The 2000 Year Old Mouse. 1.00 pm Link. 1.30 Here And Now. 2.30 "Crooks And Coronets" starring Telly Savalas, Edith Evans and Warren Oates. 5.00 Cloughie's Golden Oldies. 5.30 TV Censored Bloopers. 11.15 Prisoner Cell Block H. 12.15 am The Sci-Fi Movie: "The Humanoid" starring Richard Kiel and Barbara Bach. 1.30 The Euro Cops. 3.00 Central News Closedown followed by Central Jobfinder '87.

CHANNEL

9.25 am Today's Weather. 1.00 pm Les Francais Chez-Vous. 1.30 Enterprise South. 2.30 "Anastasia." 5.30 Scarecrow and Mrs King. 6.25 Channel News Headlines. 11.15 A For Agnetha. *11.45 Man In A Suitcase.*

GRAMPIAN

9.25 am Cartoon. 1.00 pm Farming Outlook. 1.30 Sixth Sense. 2.00 Sunday Service, from Barlanark Grey Friar's Church. 2.30 Shinty. 3.30 Benson. 4.00 Show Me. 5.00 Scotsport. 6.00 Diff'rent Strokes. 11.15 US Documentary. 12.15 am Living and Growing for Adults. 12.45 Reflections.

GRANADA

9.25 am Crystal Tipps and Allstair. 1.00 pm Members Only. 1.05 AAP KAA HAK. 1.10 An Invitation to Remember. 1.40 This is your Right. 2.30 Sunday Matinee: "The Magnificent Seven Deadly Sins." 5.00 The Love Boat. 6.00 Sweethearts. 11.15 Alfred Hitchcock Presents 11.40 Promises and Piecrust. 12.10 am Show Express

HTV

9.25 am Max The 2,000 Year Old Mouse. 1.00 pm Farming Wales followed by *Weather for Farmers.* 2.30 The Sunday Matinee: "The Mountain" starring Spencer Tracy and Robert Wagner. 5.00 The Fourth Protocol—Filming the novel. 5.30 Crazy Like A Fox. 6.35 HTV News. 11.15 Downtown. 12.15 am Dining In France.

SCOTTISH

9.25 am Cartoon. 1.00 pm The Glen Michael Cavalcade. 2.00 The Boy from *Crown Street. 5.00 Scotsport.*

TSW

9.25 am Look and See. 1.00 pm The South West Week. 1.30 Farming News. 2.30 The Sunday Matinee: "Sky West and Crooked." 4.20 Gus Honeybun's Magic Birthdays. 4.30 Gardens for All. 5.00 Supergran. 5.30 Diff'rent Strokes. 6.00 Show Me. 6.35 TSW News. 11.15 The Fourth Protocol—Filming the Novel. 11.45 *Promises and Piecrust.* 12.10 am Postscript Postbag.

TVS

9.25 am Employment Action. 1.00 pm Agenda. 1.30 Enterprise South. 2.30 The Sunday Matinee: "Anastasia" starring Ingrid Bergman and Yul Brynner. 5.30 Scarecrow and Mrs King. 6.25 TVS News. 11.15 A For Agnetha. 11.45 Man in a Suitcase. 12.45 am Company.

TYNE TEES

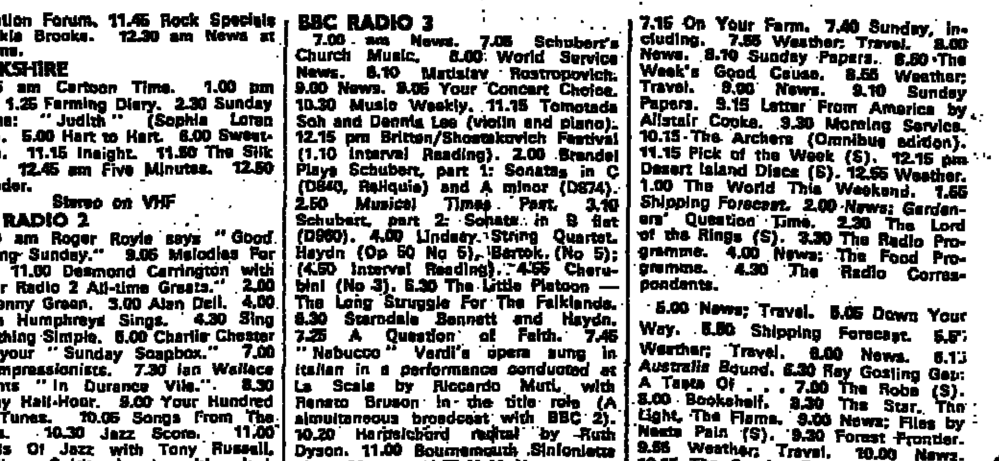
9.25 am Hello Sunday. 1.00 pm Farming Outlook. 1.30 Rally Cross (Shell Oils British Open). 2.30 "Campbell's Kingdom" starring Dirk Bogarde and Stanley Baker. 5.00 Northern Life—Sunday Edition. 5.30 From Star Wars to Jedi—The making of a saga. †11.15 The Mysteries of Edgar Wallace. 12.15 am *Epilogue.*

ULSTER

9.25 am Cartoon Time. 12.58 pm Lunchtime. 1.30 Farming Ulster. 1.58 Farming Weather. 2.30 Feature Film: "Elephant Walk," starring Elizabeth Taylor. 4.20 Cartoon. 5.30 Sing Out. 6.00 The Duck Factory. 6.38 Ulster News. 8.57 Ulster News. 11.15 Sports Results. 11.20 Chalk and Talk — An Education Forum. 11.45 Rock Specials — Elkie Brooks. 12.30 am News at *Bedtime.*

YORKSHIRE

9.25 am Cartoon Time. 1.00 pm Link. 1.25 Farming Diary. 2.30 Sunday Cinema: "Judith" (Sophia Loren stars). 5.00 Hart to Hart. 6.00 Sweethearts. 11.15 Insight. 11.50 The Silk Road. 12.45 am Five Minutes. 12.50 Jobfinder.



Dance Lines, 8.15 pm, C4

Stereo on VHF

BBC RADIO 2

7.30 am Roger Royle says "Good Morning Sunday." 9.05 Melodies For You. 11.00 Desmond Carrington with "Your Radio 2 All-time Greats." 2.00 pm Benny Green. 3.00 Alan Dell. 4.00 Gillian Humphreys Sings. 4.30 Sing Something Simple. 5.00 Charlie Chester with your "Sunday Soapbox." 7.00 The *Impressionists.* 7.30 Ian Wallace presents "In Durance Vile." 8.30 Sunday Half-Hour. 9.00 Your Hundred Best Tunes. 10.05 Songs From The Shows. 10.30 Jazz Score. 11.00 Sounds Of Jazz with Tony Russell, including Spirit Level with Jack Walrath. 100 am Steve Madden presents "Nightride." 3.00-4.00 A Little Night Music.

BBC RADIO 3

7.00 am News. 7.05 Schubert's Church Music. 8.00 World Service News. 8.10 Mstislav Rostropovich. 9.00 News. 9.05 Your Concert Choice. 10.30 Music Weekly. 11.15 Tomotada Soh and Dennis Lee (violin and piano). 12.15 pm Britten/Shostakovich Festival (1.10 Interval Reading). 2.00 Brendel Plays Schubert, part 1: Sonatas in C (D840, Reliquie) and A minor (D874). 2.50 Musical Times. Part. 3.10 Schubert, part 2: Sonata in B flat (D960). 4.00 Lindsay String Quartet. Haydn (Op 50 No 5), Bartok (No 5); (4.50 Interval Reading). 4.55 Cherubini (No 3). 5.30 The Little Platoon — The Long Struggle For The Falklands. 6.30 Sterndale Bennett and Haydn. 7.25 A Question of Faith. 7.45 "Nabucco" Verdi's opera sung in Italian in a performance conducted at La Scala by Riccardo Muti, with Renato Bruson in the title role (A simultaneous broadcast with BBC 2). 10.20 Harpsichord recital by Ruth Dyson. 11.00 Bournemouth Sinfonietta plays Mozart. 11.57-12.00 News.

BBC RADIO 4

7.00 am News. 7.10 Sunday Papers. 7.15 On Your Farm. 7.40 Sunday, including. 7.55 Weather; Travel. 8.00 News. 8.10 Sunday Papers. 8.50 The Week's Good Cause. 8.55 Weather; Travel. 9.00 News. 9.10 Sunday Papers. 9.15 Letter From America by Alistair Cooke. 9.30 Morning Service. 10.15 The Archers (Omnibus edition). 11.15 Pick of the Week (S). 12.15 pm Desert Island Discs (S). 12.55 Weather. 1.00 The World This Weekend. 1.55 Shipping *Forecast.* 2.00 *News; Gardeners'* Question Time. 2.30 The Lord of the Rings (S). 3.30 The Radio Programme. 4.00 News; The Food Programme. 4.30 The Radio Correspondents.

5.00 News; Travel. 5.05 Down Your Way. 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News. 6.15 *Australia Bound.* 6.30 Ray Gosling Goes: A Taste Of . . . 7.00 The Robe (S). 8.00 Bookshelf. 8.30 The Star, The Light, The Flame. 9.00 News; Files by Neste Pain (S). 9.30 Forest Frontier. 9.55 Weather; Travel. 10.00 News. 10.15 The Sunday Feature (S). 11.00 Seeds of Faith (S). 11.15 Chickens, Spitting and Bicycle Bells: Nick Ross visits China. 12.00-12.15 am News.